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ACCURACY OF INFORMATION SUPPLIED BY THE DEPARTMENT OF TRANSPORTATION

HEARING

BEFORE THE

SUBCOMMITTEE ON WATER RESOURCES, TRANSPORTATION, AND INFRASTRUCTURE

OF THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

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ACCURACY OF INFORMATION SUPPLIED BY THE DEPARTMENT OF TRANSPORTATION

TUESDAY, APRIL 28, 1987

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
SUBCOMMITTEE ON WATER RESOURCES, TRANSPORTATION,
AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met at 9:55 a.m. in room SD-406, Dirksen Senate Office Building, Hon. Daniel Patrick Moynihan, chairman of the subcommittee, presiding.

Present: Senators Moynihan, Mikulski, Reid, Graham, Chafee, Durenberger and Pressler.

OPENING STATEMENT OF HON. DANIEL PATRICK MOYNIHAN, U.S. SENATOR FROM THE STATE OF NEW YORK

Senator MOYNIHAN. A very good morning to our guests. This is a regular meeting of the Subcommittee on Water Resources, Transportation, and Infrastructure of the Committee on Environment and Public Works.

We have been called to address the question of whether or not misleading information was presented to the Senate in the course of the debate that was held March 19 and 20 on the Surface Transportation Act of 1987.

The circumstances that surround the matter are simple, and I will set them forth with as much dispatch as I can out of consideration for my associates here.

I wish first to state the all-important fact, which is a singular fact, that sometimes it is not understood well in the world at large, which is, that the United States is the only nation in the world that has a legislature. All other governments, democratic, authoritarian, and totalitarian, the government either resides in the parliament, or it does without one, and it is only in the United States that there is an executive branch and a legislative branch and that they need not agree.

They must cooperate, and the conditions of our national life requires cooperation and cooperation depends on trust, and very high levels of trust, in the main, are sustained in this system. When it breaks down, this response is very low. We have what may be a breakdown here, not at the levels of international crises, but at levels of very real concern to the members, because any attempt by the Executive to mislead the legislature or vice versa is fateful and damaging to the very essence of our Nation.

Here, in brief sequence are the things which we will inquire into. On March 19, 1987, our distinguished Republican leader, Mr. Dole, came to the floor bringing with him a letter from the President of the United States dated March 19, that very same day, in which the President indicated that if the conference committee report on the Surface Transportation Act were to be approved, he would veto that bill. He gave a number of reasons, one being that the bill exceeded his request by $9.1 billion over 5 years. He said it was too expensive a bill.

Then Mr. Dole went along to introduce a second document which had just the opposite message. It said that 41 States will receive lower apportionments under the conference report than under the bill S. 387, which the Senate had passed.

I quote Mr. Dole, and I will put all these matters in the record:

> Kansas does not do too badly. We only lose about $10 million. But some States, such as Alabama, North Carolina, Pennsylvania, Wisconsin, Washington State and others, a lot of States lose a lot of money.

Then he asked unanimous consent that the letter from the President and the chart showing a State-by-State comparison of how much each of the 41 States lose be printed in the record, and this was done.

The startling thing about the chart that was then placed on every member's desk was that it was anonymous. It had no letterhead; it had no date; it had no signature.

The next morning, a number of Senators spoke to me privately about not just having to deal with this matter in the Senate but having received word from their own States pointing to this matter. Mr. Conrad, for example, stated on the floor,

> I was called last night by someone from my State who is acutely interested in this and asked me how can you be voting for a bill that reduces the money to North Dakota by $16 million.

He went on.

I rose in response, and after Mr. Symms intervened a bit, I said,

> These matters that made their way into the press were mailed anonymously, or as near as it makes no matter, a piece of paper with no letterhead, sort of an anonymous denunciation.
>
> It raises questions of character. I have to say that to you. I would not ordinarily say that on the Senate floor, but the character of the Federal Highway Administrator is a matter that has been brought into question by this behavior.

I raised the issue of Mr. Barnhart's character. I won't say that I did that with great care, and immediately, Mr. Symms said,

> Let me just speak on behalf of a person whom I think has done an excellent job as Administrator of the Federal Highway Administration, Mr. Ray Barnhart. This piece of paper did not come from Barnhart's office.

I responded, "Where did it come from?"

Mr. Symms said, "I do not know where it came from. It did not come from his office."

I said, "That is the problem, then, in which event I withdraw my statement." And I very specifically said that any dispersion that might have been cast on Mr. Barnhart could not be the case, because indeed, the matter had not come from his office.

The next morning I met with Mr. Barnhart off the floor, and I said, "Sir, where did this piece of paper come from?" He said to

me, "The first time I saw this piece of paper was this morning." Now, this is March 20, the next day.

He indicated it had nothing to do with him. Mr. Barnhart said, and I quote, "This is an inaccurate statement of the facts."

I said,

> In other words, someone has deliberately set about or if not deliberately, have in any event caused the U.S. Senate to be given misleading information, and that may have led Senators to vote other than they would have done.

If that was the case, it might have been my responsibility to have seized on the matter more clearly, and I offered the Senate an apology if I had not done that. Finally, my friends and colleagues, Mr. Mitchell came to the floor with a formal statement.

Senator Mitchell is, of course, a former United States district judge, a man with a very nice sense of procedure and a very fervent sense of governmental ethics.

He said,

> Mr. President, yesterday, the administration circulated a package of material regarding highway funding to each Senate office, each State Department of Transportation and each Governor's office. That material was highly misleading and, in many respects inaccurate.
>
> During the debate on the bill, in obvious reliance on the misleading information supplied by the administration, some Senators made inaccurate statements and even may have been induced to vote against the bill. The Senate has been misled.

That, in brief, is the issue before us: Was the Senate misled? The matter is behind us, but the issue is so central to our proceedings in government that I felt as chairman that I had no option but to pursue it and have the record straight.

We have two witnesses today, Mr. Ray Barnhart, the Administrator of the Federal Highway Administration, and the honorable Rebecca Gernhardt Range, the Assistant Secretary for Governmental Affairs.

As indicated by the list, we will first ask Mr. Barnhart to come forward. Mr. Barnhart, if you want to bring counsel or any associate with you, I see your relatives here. If not, would you please rise and raise your right hand? We will be swearing you.

Forgive me, Mr. Barnhart.

Senator Chafee, would you like to make an opening statement?

OPENING STATEMENT OF HON. JOHN H. CHAFEE, U.S. SENATOR FROM THE STATE OF RHODE ISLAND

Senator CHAFEE. Thank you, Mr. Chairman. I don't want to denigrate these hearings in any way. I think you are right to look into the matter. I think, at the same time, it is well to bear in mind that the gravity of this situation perhaps has been overstated. Despite the circulation of the chart, I notice that every single one of the Democratic Senators voted to not sustain the President's veto, so I don't think tremendous damage has been done.

That doesn't mean that we should tolerate inaccurate information coming from the Administration. I think that sometimes we want to keep everything in a sense of proportion.

Secondly, Mr. Chairman, one of the points of distress here is that this was an unidentified document that has been circulated.

It is my understanding, and I look forward to Mrs. Range's comments on this, that this document was sent to the Republican lead-

er's office, along with an attachment and a covering letter and, indeed, attached to it is,

> Attached for your information are several tables outlining State-by-State apportionments * * *.
>
> You will notice that 47 to 50 States lose formula money * * *. Should you have any questions, please contact the Office of Congressional Affairs, U. S. Department of Transportation * * *.

So who ever distributed that, and it is my understanding, and I look forward to hearing clarification on this, that I believe that the distribution was probably made by the Republican leader's office rather than by Mrs. Range. But I would like to hear her statement on that. Mr. Chairman, I think the problem is, where the discrepancies arose.

I am prepared to stay here as long as neccessary, but, as you and I both know, there is a serious meeting of the Finance Committee, and so I would do everything I could to help you move this right along.

Mr. Barnhart, as far as I am concerned, doesn't have to read his entire statement if that will expedite things.

Senator MOYNIHAN. Fine. Also, we were here at 9:30.

Senator CHAFEE. I know, and I appreciate that, and I sent word to go ahead. I want to express my thanks to you, Mr. Chairman, because at my suggestion, you met at 9:30, and I sent word to go ahead without me, but you were very observant of decorum and waited, and I apologize for that.

Senator MOYNIHAN. Senator Graham.

Senator GRAHAM. No statement.

Senator MOYNIHAN. Senator Reid, I believe you indicated you would like to make an opening statement?

OPENING STATEMENT OF HON. HARRY REID, U.S. SENATOR FROM THE STATE OF NEVADA

Senator REID. Yes, thank you Mr. Chairman.

I, first of all, would like to tell you how much I appreciate your holding this hearing to look into the question of this dissemination of information or disinformation or whatever we want to call it.

I would like to welcome the Federal Highway Administrator, Mr. Barnhart.

Mr. Chairman, you have gone through the scenario of what happened quite well. I would just like to add to that that during the 99th Congress I worked very hard to get a highway bill out, and during that period of time, I was in constant contact with my State.

I was pleased, as a member of the 100th Congress, to work on the legislation that, for various reasons, didn't get through the Congress last time.

It was from our committee that the legislation came out. During the deliberations on the bill, especially during the conference stage, I stayed in constant contact with the Governor of the State of Nevada, Richard Bryan, as well as various State and local officials who were very concerned about this legislation.

We all know that the legislation wasn't perfect, but no compromise ever is. The conference report for H.R. 2 initially was supported with enthusiasm, I can say, by everyone in the State of Nevada.

However, following the dissemination of this anonymous statistical report, I received, from all over the State of Nevada, telegrams from chambers of commerce saying, Please don't support H.R. 2. It is going to cost the State of Nevada millions of dollars, and we simply can't afford that, even though we don't lose as much as other States. It is simply that we can't afford an $11 million loss.

The apparent new information, the people in Nevada thought, came from the Department of Transportation or the Federal Highway Administrator. They didn't know which, but they knew it came from Washington, and that was good enough for them.

Mr. Chairman, had I not been a member of this Committee, I wouldn't have looked any further I simply would have voted against the conference report. I think that it is critical that you hold this meeting. I think that it is important that we understand the initial statement that you made that our form of government is unique.

But I would hope that we carry this further than simply saying, as indicated in the prepared statement that I have seen, that it was just a little misunderstanding, "We are sorry it happened."

I just don't think things like this can happen. We were in the heat of the battle, and that is what it was. There was an effort by the Administration to sustain the veto. Again, I indicate to you, Mr. Chairman, had it not been that I was on the Committee, I would have voted against the bill, and phone calls from you and other people notwithstanding, I would have stayed in there because it seemed that the bill was bad for the State of Nevada.

I knew the information was wrong. I was able to ferret that out. I am very thankful that we were able to get a bill out. I don't know how we did it, frankly, because, it in the State of Nevada, some people still believe this information. I had people visit me yesterday, some of the Chamber of Commerce people, and I had to go through this with them again to show that the information that they got from Washington was wrong, misleading, and false.

So I commend you for holding this hearing, and I would hope that we proceed further than the statements of, "Gee, I'm sorry."

Senator MOYNIHAN. I thank you, Senator.

Mr. Barnhart, if you would now rise. I shall request you take an oath with respect to the testimony you are about to give. Would you please raise your right hand? Do you swear that the testimony that you will give to this Subcommittee is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BARNHART. I do.

Senator MOYNIHAN. Would you state that further?

Mr. BARNHART. I do.

Senator MOYNIHAN. Thank you. Please be seated, and please proceed.

STATEMENT OF RAY A. BARNHART, ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION, U.S. DEPARTMENT OF TRANSPORTATION

Mr. BARNHART. Mr. Chairman, if you are ready for my testimony, you have received copies of my testimony already, so I won't repeat that. I would like to simply point out and highlight a couple

of things, if you will. One specific question you had asked in your letter of invitation was the relationship of the Federal Highway Administration to the Department of Transportation and, quite obviously, as one of the administrations, we are directly accountable to the Secretary.

However, we do have a great deal of latitude and automony in what we do. The Federal Highway Administration has no formal guidelines governing its activities and relationships with the Congress and with committees or individual Members of Congress. I have not mandated strict procedures through which our people must go in order to respond to individual members.

Routine requests, whether oral or written, are responded to by various individuals who possess the particular knowledge, as long as they are responding to someone who has an official title or an official in government.

I do require that when those contacts are made that they notify other offices and individuals who might be affected by it, and obviously, when documents are sent to the Hill, they are sent to my office, also, whether after the fact or at the time.

I suppose someone would say it is rather lose in the way we run things over there, and yet it isn't, for I think our folks have demonstrated their professionalism in their relationships to the Hill.

Basically, my instruction, simply, is to use common sense and courtesy in responding to committees or individuals, and we respond as fully and as accurately as is possible. During the debate and when things were rather hectic, we did not go through all of the clearances that some might expect, because when you need information, you need information.

We generally try to follow that up, however, and we do check all of our figures as to their accuracy ultimately.

During debate and on very sensitive issues, obviously, I like to have that kind of data go through my office to my Deputy or to my Executive Director. We will not, however, hold up that information if one of us is not available, but it it has worked out pretty well, and I would think that our record of relationships with the various committees and with this committee will attest to the manner in which we conduct the public business.

There are some who think it is rather ridiculous for Federal Highway to respond to all of these requests as rapidly as we do and as thoroughly as we do, to even draft legislation on request, which we will ultimately opposee

I reject that criticism, because it seems to me that Federal Highway Administration is a professional and public agency of government, and, as I say in my statement, very often, the Nation's sole repository of some information. I think we have an obligation to share it in an unbiased and an open way with the responsible people.

At the same time, I think it is entirely appropriate that we pursue our philosophical directions, but not to the detriment of equitable handling of these issues.

That really has been how I tried to run our Department.

Senator MOYNIHAN. You have a policy of glasnost. You don't have to answer that.

Mr. BARNHART. I am trying to think of all the constructions, and I am not sure. When I answer a question under oath, I like to be absolutely correct.

Senator MOYNIHAN. I withdraw the question.

Mr. BARNHART. Thank you. Regarding the document that is the subject of the hearing, I think it is well established that it was based upon a one-year document that was prepared by the Federal Highway Administration. I do attest to the accuracy of those figures.

Senator MOYNIHAN. The 1-year document.

Mr. BARNHART. In the 1-year document, yes, sir.

That is the extent of my knowledge of the situation. I guess generally, I simply would say that the 1-year document is accurate; may have a glitch here and there, but we think it is quite professionally done and truly indicates the real world distributions based upon the conditions of the bills we were analyzing.

I have said that to project beyond that, beyond the first year, is not possible to do accurately.

Senator MOYNIHAN. Could I interrupt to ask? I am a little confused. The document that the Republican leader placed in the record on March 19th, was that your document, that single piece of paper?

Mr. BARNHART. No, sir, it was not.

Senator MOYNIHAN. That was not your document?

Mr. BARNHART. No, sir. But it was based upon one of our documents.

Senator MOYNIHAN. Now, this does become important. Can we just have this document presented to you? This is what we are talking about here. We are asking about this piece of paper. Thank you.

Senator CHAFEE. When we say "this piece of paper," we are talking about the one that starts off, in the list of States, Alabama, $122.5 million?

Mr. BARNHART. Yes, sir.

Senator CHAFEE. It says, "State-by-State" comparison, conference report versus Senate-passed bill, S. 387?

Mr. BARNHART. Yes.

Senator MOYNIHAN. Yes. May I say, Mr. Barnhart, we will never get anywhere if we start out by confusing what we are talking about.

Mr. BARNHART. Right.

Senator MOYNIHAN. You were referring, I think, to some other document altogether.

Mr. BARNHART. Yes, sir.

Senator MOYNIHAN. That this was prepared by you. And we are talking about this document.

Mr. BARNHART. No. We did not prepare this document.

Senator MOYNIHAN. If you recall, I mentioned in the beginning asking you about this document, and you said, this is on the morning of March 20, you said you just this moment had seen it?

Mr. BARNHART. I had seen it sometime after midnight that morning.

Senator MOYNIHAN. Sir?

Mr. BARNHART. I had seen it sometime after midnight that morning.

Senator MOYNIHAN. Right, so technically, that morning. You had not seen it before it was distributed to the Senate?

Mr. BARNHART. No, sir, I had not.

Senator MOYNIHAN. That is a very essential fact. You had not seen this document before it had been distributed.

Mr. BARNHART. No, I did not see it.

Senator MOYNIHAN. That is what we are talking about.

Mr. BARNHART. Yes, sir.

Senator MOYNIHAN. And would you like to add to that?

Mr. BARNHART. I simply said that I believe that it was derived from a table we had prepared.

Senator MOYNIHAN. I see.

Mr. BARNHART. On the 1 year, only 1 year. It is quite obvious that what had happened is that our 1-year chart was simply multiplied by 5 years, because it was a 5-year bill. Highway financing is extremely complicated, and a lot of people don't realize how complicated it is.

They think that you can simply do a multiplication in order to get a multiyear bill but, in fact, all of the factors change, and it is just impossible to determine, with accuracy, what would happen in 3 years.

You could multiply, and it may or may not be accurate.

Senator MOYNIHAN. Could I ask you, then, and this will be my final question, and this is obviously a matter of judgment which there is no necessary yes-no answer, but do I take it from the reservation you have indicated about the 5 year, just plain multiplying 5 years or 3 years or whatever, that as a professional matter, you would have been very hesitant to present this document to the Senate without large qualifications?

Mr. BARNHART. Yes. That is a fair statement. We have made projections by requests. But when we do, we caveat extensively because we are familiar with the technicalities. A lot of people, and I suspect a lot of Members of Congress, would not be aware of the kind of variation one could have because of a changed factor.

But because we do work with the program everday and we understand the changes, we are very sensitive to them. Therefore, we have caveats to indicate that this projection covers one specific instance, perhaps, but is not necessarily absolutely accurate. It is accurate based on those conditions as outlined.

Senator CHAFEE. Could I interrupt one moment? When you refer to this document, and this will come up frequently, we are constantly referring, I presume, to the so-called State-by-State comparison report, the one I mentioned that Alabama starts at $122.5 million?

Senator MOYNIHAN. Yes, sir.

Senator CHAFEE. Is that the one?

Senator MOYNIHAN. Yes, sir. That is this document that Mr. Dole, the Republican leader, put into the Congressional Record, along with the President's letter, on March 19th.

Mr. BARNHART. Yes, and when I refer to my 1-year document, I am referring to a different document.

Senator MOYNIHAN. In the course of getting this ready for the debate, you worked up a table for a year?

Mr. BARNHART. On the day of introduction, that night, we called our people down. We had so many requests from so many individual Members of Congress, I think we ran 20-some tables that night, and all night. As a matter of fact, my folks were down there about 20 hours straight without complaint, I might add. They do a great professional job.

Senator MOYNIHAN. We are very sensitive of that fact. Could I ask one last point?

This table which we will call March 19 table, unless there is any great dissent, the State-by-State comparison, is a comparison of apportionments. I think would it not be the case that as a professional matter, you would like to indicate that apportionments are only part of the State-by-State outlay?

Mr. BARNHART. That is correct, because we don't know what the allocations may be.

Senator MOYNIHAN. Would you explain what an allocation is?

Mr. BARNHART. Well, let's say an apportionment is money that's specified by formula by the Congress as opposed to discretionary funds, where the Congress says: We have a pot of money to distribute according to certain circumstances to the States. And it is the discretionary monies that most often we cannot determine, predetermine, who will get what. Unless, as so often happens in the Appropriations Committee, they specify the discretionary money distribution.

Senator MOYNIHAN. They tell you what your discretionary money will be?

Mr. BARNHART. That's right, and that would be the only instance whereby we would project that.

Senator MOYNIHAN. Could I ask, in the conference report, while there was a reduction of apportionments, there was an increase in allocations?

Mr. BARNHART. Yes, sir.

Senator MOYNIHAN. The point I made earlier; the point that the President was indicating he was rejecting the bill because it was above the spending levels he wanted and then, simultaneously, we are told it is below the spending levels that we wanted, is an argument somewhat in conflict with itself.

But, in fact, the conference committee report did have the effect of increasing the amounts of money that would be available for highways during this period.

Mr. BARNHART. Yes, I believe so. That is correct.

Senator MOYNIHAN. Where exactly they would end up, there is no way to say.

Mr. BARNHART. That is correct.

Senator MOYNIHAN. Except, is it not, and I am not asking you if there is an answer, but is it not generally the case that allocated funds get apportioned over time about the way apportioned funds do?

Mr. BARNHART. No, sir.

Senator MOYNIHAN. That is not so?

Mr. BARNHART. Oh, no.

Senator MOYNIHAN. Sometimes they have discretion?

Mr. BARNHART. Oh, yes.

Senator MOYNIHAN. But you just don't know what it will really be.

Mr. BARNHART. We really don't know.

Senator MOYNIHAN. And it does, among other things, reflect what condition the interstate highway system is in this particular place?

Mr. BARNHART. Additions, subtractions. All of these factors change, total mileage, number of bridges that are rehabed in a particular given time.

Senator MOYNIHAN. What you are saying is if it was all that automatic, there wouldn't be a need for a Federal Highway Administration.

Mr. BARNHART. You are hitting close to home.

Senator MOYNIHAN. You may adjust?

Mr. BARNHART. Yes, sir.

Senator MOYNIHAN. And that is an administrative effort?

Mr. BARNHART. We make judgments according to the instructions of the Congress.

Senator MOYNIHAN. OK. That is what I thought was the case, and I appreciate your answers very much.

Mr. Chafee?

Senator CHAFEE. Thank you, Mr. Chairman.

Mr. Barnhart, who is your boss? Who do you work for?

Mr. BARNHART. Secretary Dole.

Senator CHAFEE. The Secretary of Transportation?

Mr. BARNHART. Yes.

Senator CHAFEE. During this period that we have been discussing here, the March 19th period, your folks were pretty busy, I take it. You mentioned the 20-hour stretches and so forth.

Mr. BARNHART. Absolutely.

Senator CHAFEE. Trying to come up with answers when everybody was fairly tired?

Mr. BARNHART. Oh, this really is grueling. I know it is grueling on everybody on the Hill; it is probably even more so for agencies that try to respond, because while you are working on one thing, there are so doggone many of you that are requesting, we are just inundated. Some people seriously will ask for three, four, five different tables under different circumstances and then they want interpretations beyond the tables, and it is quite an ordeal.

Senator CHAFEE. Thank you.

Thank you, Mr. Chairman.

Senator MOYNIHAN. Mr. Reid?

Senator REID. Mr. Barnhart, I have reviewed your statement and that of Ms. Range, and I still have a basic problem. I know everyone was working hard as you have indicated in your testimony, but I am led to the conclusion that it appears that the Senate was misled. My question is as to whether that was done intentionally or not. How would you respond to that?

Mr. BARNHART. I do not think that, and you are asking for a subjective view of this.

Senator REID. That is right.

Mr. BARNHART. I know that the institution of Federal Highway did not mislead, and knowing the other people involved and Ms.

Range, I don't think that there has been a deliberate effort to mislead or misinform. I think such an effort, frankly, would be foolish in Washington, DC.

My heavens, we are subjected to such intense public scrutiny, and on a thing like this, I think it would be so evident that any deliberate effort to distort for an immediate gain would be stupid.

Senator REID. But, Mr. Barnhart, we were only dealing with the matter of a few hours; a few hours made the difference as to whether or not there was enough to override the President's veto, and that leads me to the next question, if this is all so obvious and clear that it was a mistake, how could we have arrived at the mistake in the first place?

Mr. BARNHART. You will have to ask Ms. Range on that. You are asking me for conclusions, and I'm just telling you what my feeling is. My brief experience of 6 years in this city indicates to me that anyone who willfully, deliberately attempts to mislead, at a given time, is just plain stupid because you have got to live with tomorrow.

Senator REID. We should, and this is like an exam, so you will have plenty of time to prepare, because the question has already been given to her through you.

Mr. BARNHART. That is why I say you will have to ask her.

Senator REID. Thank you, Mr. Chairman.

Senator MOYNIHAN. Thank you, Mr. Reid. Senator Graham?

Senator GRAHAM. No questions.

Senator CHAFEE. Could I ask one more question, Mr. Chairman? Mr. Barnhart, if someone there knew the requirement, came up with a 5-year projection on what the results of a formula will be, what do you do?

Mr. BARNHART. I would have to go beyond that, would have the individual tell me the factors that would be applicable in each year and how he would anticipate that a State would have obligated its program funds.

Because until you do that, I can't come up with an accurate conclusion. And then the conclusion I would have would probably not be the real world. It would only be accurate under the conditions you have designated, but it would not, generally, arrive at truth in the long term.

Senator CHAFEE. But one way to do it, I suppose, is to take this year and extrapolate it out.

Mr. BARNHART. That's exactly right. Now, we can do that, and we did it, you know, under the comparison of the two bills, for 1 year. Now, if you wanted us to continue on that with each year, you would have to set up criteria for us so that we could then calculate how much of the interstate had been completed in a State; how much would be lapsed; how much mileage has been added here; how many bridges had been removed from the deficient list or square footage costs.

Senator MOYNIHAN. Or collapsed.

Mr. BARNHART. But it becomes very complicated. We get different performances.

Senator CHAFEE. This is a way to do it?

Mr. BARNHART. This is a way. If you gave us the criteria and said, Hey, we need a quick snapshot of what is going to happen if

the conditions are the same here for the next 5 years, and the only thing you do is complete your interstate as you have it apportioned to you each year, we can give you that.

Senator CHAFEE. Thank you very much.

Mr. BARNHART. But then it is your responsibility on knowing how to use it.

Senator MOYNIHAN. Might I ask again being very much aware that we are asking you to testify under oath and are asking very judgmental questions with no adversarial intent at all, but if you were to make such projections as Senator Chafee asked about, you would append lots of conditions, wouldn't you? There would be some footnotes saying, "Be careful of this," and, "Think about that"?

Mr. BARNHART. I would, sir, because I work with this program all the time, and I know the pitfalls. Someone who doesn't work with it may not know the mire you can get into on pure assumptions.

Senator MOYNIHAN. We thank you very much, sir.

Mr. BARNHART. Thank you.

Senator MOYNIHAN. Before you leave the table, may I take occasion to repeat that on the Senate floor when we first encountered this matter and Mr. Conrad raised it, I said, because I did not know otherwise, that this did raise a question of the character of the Federal Highway Administrator. I could not think that such a document would come from any other place, and that I apologized on the Senate floor.

I needed no more from you, I needed no more than that you had not seen the document before it was released, indeed, the day it was released. I would like to repeat that any indication that you acted less than in a perfectly honorable matter is altogether unwarranted, and so as far as I am concerned, I hope you understand that. I don't doubt that you do.

Mr. BARNHART. I certainly do, Senator, and I appreciate that and accept that. I will say that it is meaningful to me, not just as an individual, but on behalf of FHWA, because I have such a high regard for the career people who prepared these charts.

Senator MOYNIHAN. As justice.

Mr. BARNHART. That's the way it really turns out. I have to tell you I'm proud of the kind of people we have in FHWA. There is one gentleman who is in the hospital now. I just found out about this the other night. On the night I called him out to compute these charts, I did not know that he was to go in the hospital the next morning to have another heart treatment with the balloon for the third time.

He didn't tell me, but because of his loyalty to the institution and since these charts were his responsibility, he canceled that appointment and set it up for a later date. He subsequently couldn't make the date because they rushed him to the hospital. We have some tremendously committed people in Federal Government, not just in the Federal Highway, and I thought you would be interested in that incident. Everybody wants to paint with a broad brush and attack the Federal government employee. That is unfair.

Senator MOYNIHAN. Could I ask by chance do you have that gentleman's name?

Mr. BARNHART. Larry Hanna is his name.

Senator MOYNIHAN. Would you give Mr. Hanna the great respects of this committee and tell him we wish him a full recovery and thank him for what he did, although we don't know it necessarily went quite right, and thank Mr. Hanna, too. Thank you, sir.

Our next witness is Secretary Range.

Madam Secretary, do you have counsel with you, or is there anyone else you would like to have at the table? I will ask that you take an oath with respect to the testimony you are about to give, and please raise your right hand.

Do you swear that the testimony you will give this subcommittee is the truth, the whole truth and nothing but the truth, so help you God?

Ms. RANGE. I do.

Senator MOYNIHAN. Thank you. Please be seated. You have a prepared statement. You can either summarize or give it as you wish.

STATEMENT OF REBECCA GERNHARDT RANGE, ASSISTANT SECRETARY FOR GOVERNMENTAL AFFAIRS, DEPARTMENT OF TRANSPORTATION

Ms. RANGE. Senator, I have submitted a longer, more detailed statement, but would like to make a few remarks to summarize my statement and define the circumstances in which the charts in question were produced.

I do appreciate the opportunity to discuss these issues with the committee, because the Department and I value our good relationship with the Congress, and I hope today's hearing will resolve any misunderstanding that may have resulted from the information we produced.

Concerns have been expressed about two packages of information provided to Congress: The first, a set of charts with an accompanying note on highway apportionments and project costs; and second, a State-by-State comparison of the conference report versus the Senate-passed bill.

Both sets of documents were assembled by my office. For the first, the Federal Highway Administration prepared the charts and these were sent to the Senate and House offices and State DOT's with a cover note specifying the questions could be directed to DOT's Congressional Affairs Office at a specified phone number.

The second document was a chart prepared by my office and sent only to the Senate minority leader's office with a cover note on my letterhead signed by me and dated March 19, 1987. The purpose of this chart was to summarize the negative impacts on States' apportionments, which is the vast majority of funds going to the States, under the conference report when compared to apportionments under the Senate-passed version.

The chart dealt solely with apportionments and did not claim to do otherwise. It was a 5-year projection based on 1987 apportionments, which are known. The methodology used did not account for yearly variations because they are not known.

There is no question that this should have been noted on the chart prominently. Further, because 1987 apportionments were used, the comparison inadvertently did not account for 1.3 percent

increase or $150 million in formula apportionment money contained in the conference report in the out years that was not included in 1987.

We, therefore, short-changed the bill, the conference report, by about 1.3 percent in each of those out years. As the person assembling the information, in an effort to provide the Congress with as much information as possible, we did not review the information as carefully as we should.

I regret that this was not done and that because of it, mistakes were made. In fact, as soon as the question on the chart comparison rose, I sent you a letter indicating how the chart was assembled and how the chart should have been noted. I would like to submit a copy of that for the record.

Senator MOYNIHAN. It will be placed in the record.

Ms. RANGE. DOT esteems its relationship with the Hill. I hope that this explanation will be accepted so that we can continue to work together on other important issues in harmony and, as you say, Mr. Chairman, trust, even when we disagree on the merits of a particular issue.

I would be happy to answer any questions.

[The letter referred to by Ms. Range follows:]

U.S. Department of Transportation
Office of the Secretary of Transportation

Assistant Secretary

400 Seventh St., S.W.
Washington, D.C. 20590

March 20, 1987

The Honorable Daniel P. Moynihan
United States Senate
Washington, D.C. 20510

Dear Senator Moynihan:

The chart which you mentioned was prepared by my office. It was intended to generalize the negative impacts on the states of the apportionments contained in the Conference Report as compared to those contained in the Senate Highway Bill. The funds noted were strictly formula apportionments and represented 5-year projections based on the FY 1987 apportionment estimates. As you pointed out, it is incorrect to project precisely the impact over 5 years on the basis of 1-year apportionments because the factors used in determining the apportionments may change. In fact, the apportionments in the out years could be either somewhat lower or even higher. This point was not noted on the chart.

I apologize for the figures which are not precise and regret that this inadvertent error was made. I assure you that it was not meant to mislead any Member of the Senate.

Sincerely,

Rebecca G. Range

Rebecca Gernhardt Range
Assistant Secretary for
Governmental Affairs

Senator MOYNIHAN. Thank you, Madam Secretary.

Your statement will be placed in the record in full. First, in order that we make clear that we have issues of concern here and that we will not go into them in detail, but that there is more than a question of good practice and good faith involved in these matters. There are laws involved in the transcription of information and in the attempts by the executive branch to influence the outcomes of these things.

The statute, particularly, is 18 USC section 1913.

Who initiated the order to prepare and distribute this document?

Ms. RANGE. The State-by-State comparisons?

Senator MOYNIHAN. Yes.

Ms. RANGE. Senator, I asked that it be prepared because we had received a number of requests, I would say in the hundreds, from a variety of offices, House and Senate, on what the 5-year impact of the bill would be and because I assumed that the Congress, then the Senate, which was getting ready to obligate the Department and the American taxpayer for a period of 5 years, should have some benchmark available.

As I said, in retrospect, obviously, it should have been cleared with the Highway Administration. We were trying to get together a number of things.

Senator MOYNIHAN. It should have been cleared with the Highway Administration?

Ms. RANGE. Yes, sir. There were a number of things that the minority leader had asked for very early in the morning, and we made the mistake of sending it up without that clearance. That clearance would have caught those mistakes, which we clearly did not intend to do.

Senator MOYNIHAN. Madam Secretary, as you know, a distinguished member of our conference committee, Mr. Shuster of Pennsylvania, who is a member of the Republican party, when this document appeared March 18——

Ms. RANGE. Which one was that, sir?

Senator MOYNIHAN. March 18, this document appeared in the House, and it was waved at Mr. Shuster by Mr. Hammerschmidt.

Ms. RANGE. Excuse me, sir. Which document?

Senator MOYNIHAN. The best I can tell, and we can find out with specifics, it appears to be exactly the same document. In this case, it says 47 of 50 States will lose money. So apparently it is not the same document.

I will read this and ask you to help me here. Mr. Shuster says,

> I have to say, Mr. Speaker, I was quite disappointed at the very misleading document circulated by the Federal Highway Administration yesterday which claims under this legislation, 47 of the 50 States will lose money * * *.

Was that document sent to the House from your office?

Ms. RANGE. Senator, I don't know which document you are referring to. The State-by-State comparison was not done on March 18th, so it is obviously not that one. Are you asking about the cover note with the three attachments?

Senator MOYNIHAN. I will have to send that to you in writing. You are not aware of your office having provided the House anything?

Ms. RANGE. The State-by-State comparison was not provided to the House. It was provided only to the minority leader's office.

Senator MOYNIHAN. Was anyone in the Office of Management and Budget involved in this project, either in a consultant capacity, review capacity, or any other capacity? Was anyone in the White House or the executive branch?

Ms. RANGE. With the charts, no, sir.

Senator MOYNIHAN. Not the charts. Just keep ourselves to the State-by-State comparison.

Senator CHAFEE. I wonder if we could call that exhibit A or something.

Senator MOYNIHAN. Exhibit A.

Ms. RANGE. Exhibit A, all right, sir.

Senator MOYNIHAN. Here we go.

You did not consult with the Federal Highway Administration?

Ms. RANGE. No.

Senator MOYNIHAN. Did you consult with OMB?

Ms. RANGE. No, sir.

Senator MOYNIHAN. Just entirely within your office?

Ms. RANGE. That's correct.

Senator MOYNIHAN. I will give someone else a chance to ask questions.

Senator Reid?

Senator REID. Ms. Range, you heard the questions that I asked Mr. Barnhart. The question I have is that this document came from the Secretary's office, and you would think that something coming from her office dealing with highways should be accurate, which raises two questions that I presented to Mr. Barnhart, either that it was misleading and false; or it shows a lack of competence.

Again, I don't understand which of the two. So would you respond to that?

Ms. RANGE. Senator, I would say, as between those two, it certainly shows lack of competence.

Senator REID. I have no further questions.

Senator MOYNIHAN. Thank you, Mr. Reid.

Senator Graham?

Senator GRAHAM. Yes, sir.

Mr. Chairman, I am interested in the question of the dissemination of the information. Our office received a telephone call from someone representing themselves to be in the Federal Highway Administration relative to our familiarity with the fact that Florida was shown to have lost $25.5 million.

Who was authorized to make those calls, bringing to specific offices' attention the information on this sheet?

Ms. RANGE. Senator, I do not know anything about that. I can check for the record as to who made those calls. I don't know. This chart was sent to the minority leader's office.

Senator GRAHAM. You are not aware, and you did not direct anyone to make specific calls to bring this information to the attention of individual Members of Congress?

Ms. RANGE. Not that I can recollect, sir, but I will check for the record to see if, in fact, someone did.

[Ms. RANGE supplied the following:]

I am informed that Federal Highway Administration officials did not make these calls to congressional offices. Obviously, throughout consideration of the conference agreement, it was necessary for my staff to make calls to several House and Senate offices. However any apportionment figures that were provided to congressional staff were FY 1987 figures. I did not authorize nor, to the best of my knowledge, did my staff provide five year figures.

Senator GRAHAM. Was the information on this sheet made available to representatives of States such as Governors' offices or State highway offices?

Ms. RANGE. No, sir. The information on Exhibit A, State-by-State comparison, was made available only to the minority leader's office. The other charts that were asked about in the chairman's letter regarding this hearing, and which contained a cover note specifically saying that questions can be directed to the Department of Transportation, Office of Congressional Affairs, at a specified number, were made available to State DOT's and State Governors.

Senator GRAHAM. Which was the information that was made available to State officials?

Ms. RANGE. It was a set of three charts, Senator. One was a comparison prepared by the Federal Highway Administration examining 1986 apportionments vs. 1987 apportionments. The second was a comparison between the conference report's fiscal year 1987 apportionments, only, and the Senate bill apportionments—1987 only; and the third was a list of all the demonstration projects included in the bill, how much money was made available for each of those demonstration projects, and the Federal Highway Administration's estimate of the cost to complete those demonstration projects.

Senator GRAHAM. The Governor of our State indicated opposition to the legislation and urged that the veto of the President be sustained. I noticed in yesterday's Washington Post there was an article relative to Senator Warner and Governor Baliles and Governor Baliles has also urged that the veto be sustained and contained the statement that the State of Virginia would lose $100 million under the legislation.

Which piece of information would Governor Baliles have utilized that would have led to the conclusion that the State of Virginia would be disadvantaged by $100 million?

Ms. RANGE. Senator, that obviously doesn't comport with even this 5-year chart of $82 million. My understanding, and obviously the State of Virginia would know better than I as to where they got their number, is that the State of Virginia DOT did their own calculations and came up with their best guess and number under the bill. I do not know that. That is what I was told.

Senator GRAHAM. You stated that this information that was developed was the result of numerous requests by various congressional offices. When did these requests for information originate? Approximately at what point in the process were you asked to do the State-by-State comparisons which led to this document?

Ms. RANGE. Senator, during consideration of the conference report, during the conference itself, during House consideration, Senate consideration of the conference report, and afterwards, we continued to get a series of questions regarding what this legislation means over 5 years.

The 1987 versus 1986 chart, which was done by the Federal Highways, was released and had been out at that point. As we talked to people, and I probably got hundreds of calls over that period of time, that was one of the most often asked questions, and, in an attempt to try to answer that in some form, we did this chart.

Senator GRAHAM. Mr. Chairman, I am trying to find the precise date on which this chart was offered and placed in the Senate journal.

Senator MOYNIHAN. The particular chart which has the three tables the Secretary mentioned is undated with no letterhead or anything, but that says 47 of 50 States. That was the one Mr. Shuster called deliberately misleading. The other chart, the one we call exhibit A was placed in the record on March 19.

Senator GRAHAM. The question I am trying to get answered is; This chart was in the record on March 19. How many days prior to March 19 had this information been available?

Ms. RANGE. Senator, that chart was prepared sometime between midnight and 8 o'clock in the morning on March 19.

Senator GRAHAM. So it is in the context of having had hundreds of requests for this information; the information was not available until March 19?

Ms. RANGE. Senator, up until that point, if someone said, "What are the 5-year number," we would have said, "The only way we can do 5-year number from my standpoint, which are going to change over the period of time, is based upon 1987 apportionments, and that table is available."

But we were very clear in oral communications that if you multiplied the 1987 apportionments, you would get an idea of a 5-year figure but that same factors might change. That did not, unfortunately, show up on the chart.

Senator GRAHAM. If, on March 1, if that was a date subsequent to the conference committee report that hadn't been filed, someone had called you from our office and asked, "What is the 5-year impact of this conference committee on the State of Florida?" what answer would you have given?

Ms. RANGE. Senator, I don't know what answer we would have given on March 1. Certainly, at some point, the answer would have been the 1987 apportionment is "blank" as compared to the conference report. You cannot get a precise number over a 5-year period. If you multiply 5 times the 1987 number, that is the only way we know how to get a 5-year impact.

Senator GRAHAM. Then how, taking that hypothetical March 1 question, how did we get from a March 1 answer that is as generous, vague, and conditioned as the one as you have just given to the specific $25.5 million which appeared on this chart?

Ms. RANGE. Senator, two things were happening. If you tell somebody, if you take the 1987 number and multiply it times 5, I assume a number of offices were doing that themselves. Although, again, we were quite clear in oral communications and in other communications to say that the 1987 apportionment was the only known apportionment.

That fact did not show up on this chart, and it absolutely should have.

Senator GRAHAM. You are stating that this chart was not distributed to State officials.

Ms. RANGE. That's correct.

Senator GRAHAM. Therefore it could not have been the basis upon which State officials were making erroneous assessments of this particular circumstance.

Ms. RANGE. We did not distribute it to State officials or to any individual members' offices. It was under a cover sheet to the staff member of the minority leader's office.

Senator MOYNIHAN. Thank you very much.

Mr. Pressler?

Senator PRESSLER. No, thank you.

Senator CHAFEE. The question I have is you, being your office, did not make this distribution on the desk of the Senators?

Ms. RANGE. No, sir.

Senator CHAFEE. Your role in this was to send to the minority leader on March 19 the letter saying, "Sheila, attached is * * * " and the minority leader then spoke on the floor and then, to the best of your recolection, it was his office that made the distribution of this?

Ms. RANGE. Yes, sir.

Senator CHAFEE. It wasn't you? It wasn't you or your office?

Ms. RANGE. That's correct.

Senator CHAFEE. Second, Mr. Barnhart has testified about his people being exhausted, going all-out for 20 hours. What was the condition of you and your people?

Ms. RANGE. Senator, I think it is fair to say for the period of the highway consideration that the office was there until 2 or 3 o'clock every morning. Of course, my office was not involved just in the highway reauthorization but was involved in several other issues that were going on at that time.

Yes. We were extremely exhausted, and I believe that that had something to do with our not checking this chart as much as we should have.

Senator CHAFEE. Thank you.

Senator MOYNIHAN. I think we have learned a very great deal up until now. We want to thank Secretary Range for her candor and openness. I have just one question and one statement.

Why was exhibit A prepared in a manner that withheld any identity? It did it not state where it came from; what date it was; who did it.

Ms. RANGE. Senator, as I said, it came up to the minority leader's office with a note on my letterhead signed by me and dated indicating what was in the package. It also, on the chart, says that "the Department of Transportation estimates that." In retrospect, we should have made sure every single piece of paper that went out of the Department had a date and an identifier on it. But it went out with a package that had an identifier.

Senator MOYNIHAN. Would this have been a shortcoming in the office of the Republican leader?

Ms. RANGE. Sir, I can't speak to that. I don't know.

Senator MOYNIHAN. You don't.

Senator CHAFEE. I thought that was excellent discretion.

Senator MOYNIHAN. We have that question. We have that answer. It ought to have been done; wasn't, and that is the way these things can happen.

I must say, we have settled all the things we have asked about, but we haven't yet learned, and I think perhaps we won't learn, how this matter became a nationwide campaign. There is something necessarily distressing in a situation where a President of the United States says that a measure to be enacted by the Congress is a budget buster, I think is the common word, or pork another common word. And simultaneously, the Department of Transportation is rousing out the Chambers of Congress and the Governors' Offices and Senators offices to say, "You are not getting your share."

I am not asking you to comment unless you would like to.

Ms. RANGE. Good. I would like to comment on that, sir. One, I don't see those two statements as inconsistent. The point of the State-by-State chart is that apportionments, those funds which the States are guaranteed over which they have the discretion and on which they rely to have an orderly planning process, were reduced, in a sense, to pay for things outside of those formula programs, some of which, in the discretionary programs, would come back over a period of time to each of those states.

The President said it was a budget buster—that is a different issue. It was $13.6 billion more than the President's request. Our estimation is that over the 5-year life of the bill, it will add $10.5 billion to the deficit compared to the President's budget and a little known fact, the great portion of this bill which includes the transit section, comes from general revenues.

Depending on appropriations, up to $11.7 billion in general revenues may, in fact, be spent over the life of this bill.

I think that was the point that the President was trying to make.

Senator MOYNIHAN. This bill will add to the deficit?

Ms. RANGE. Yes, sir.

Senator MOYNIHAN. How much will the Department of Defense add to the deficit over the next 5 years?

Ms. RANGE. Sir, I don't know.

Senator MOYNIHAN. Will you try to answer?

Ms. RANGE. I will try to get an answer.

[Ms. Range supplied the following:]

The annual Federal deficit is the difference between the revenues coming in and the expenditures going out in each year. Department of Defense expenditures count in this calculation, and, according to the FY 1988 Budget of the United States, outlays for the Department of Defense are estimated at $1.528 trillion over the five year period FY 1987-1991.

Senator MOYNIHAN. How much does your office add to the deficit?

Ms. RANGE. I will provide it for the record. The point, you are absolutely right.

[Ms. Range supplied the following:]

Outlays for the Office of the Assistant Secretary for Governmental Affairs also count in the calculation of the Federal deficit. Outlays for this office were about $2.506 million in FY 1986 and are estimated at $2.667 million in FY 1987, and $2.978 million in FY 1988 according to the President's FY 1988 budget. Estimates for further outyears are not available.

Senator MOYNIHAN. What it means is the money comes from general revenues.

Ms. RANGE. Excuse me?

Senator MOYNIHAN. You mean the money comes from general revenues?

Ms. RANGE. Some of the money, up to $11.7 billion.

Senator MOYNIHAN. What did you mean by this bill adds to the deficit by a certain amount?

Ms. RANGE. Senator, because we have——

Senator MOYNIHAN. That is the beginning here. This is the level of discourse.

Ms. RANGE. No, no, no. Senator, because we have a unified budget, it, and your point is absolutely correct: spending adds to the deficit, absolutely, no matter whether it is the Defense Department, transit or——

Senator MOYNIHAN. The President's salary adds to the deficit?

Ms. RANGE. The President's salary adds to the deficit. There is no question. However, even with the trust fund monies, because of the unified budget, if you spend more than you take in in a particular year, that has an impact on the deficit.

Senator MOYNIHAN. Can I ask you this? It is our understanding, and I can only offer an understanding, that during the 5-year period of this bill, the Highway Trust Fund will grow and the Mass Transit Trust Fund will grow.

Ms. RANGE. Sir, as of the end of 1987 or beginning of fiscal year 1988, we estimate that there will be $9.9 billion cash on hand in the Trust Fund. Against that $9.9——

Senator MOYNIHAN. That is the Highway Trust Fund?

Ms. RANGE. The highway account of the highway trust fund, and I believe somewhat under $3.9 billion in the transit account of the Highway Trust Fund.

Senator MOYNIHAN. Approximately.

Ms. RANGE. Approximately $3.9 billion, of which $900 million will not be committed. In the Highway Trust Fund, of that $9.9 billion, we have against that $9.9 billion, $30.6 billion in commitments. It is our estimate, and obviously, this may not be exactly correct, that at the end of the 5-year period, there will be, as compared to that $9.7 billion cash on hand, commitments of $30.1 billion.

Senator MOYNIHAN. I don't want to pursue this further. I would like to say that there is a question of fact there. We will try to settle it. I would like to ask that our exhibit A be put into the record as such and that the staff be allowed to include these three tables that were provided to the House and various aspects of the Congressional Record.

We will review this. I will thank everybody for their cooperation.

Senator GRAHAM. Mr. Chairman?

Senator MOYNIHAN. Yes, sir.

Senator GRAHAM. Could I make a request? I have been reviewing the three-page document which has a cover sheet that says "Attached for information are several tables outlining State-by-State apportionments." Is this the information that was distributed to the States?

Ms. RANGE. Yes, sir.

Senator MOYNIHAN. Can we call that exhibit B?

Ms. RANGE. Good.

Senator CHAFEE. That came from the Federal Highway Administration?

Ms. RANGE. The three charts attached came from the Federal Highway Administration.

Senator MOYNIHAN. But the statement says, "If you have any questions, please contact the Office of Congressional Affairs"?

Ms. RANGE. That's correct.

Senator GRAHAM. Question: I am focusing on the first chart which has at the top the page 1 of 11, U.S. Department of Transportation, Federal Highway Administration comparison of fiscal year 1986 apportionments proposed?

Ms. RANGE. Yes, sir.

Senator GRAHAM. To be certain, the first number is Alabama, $248,190,233?

Ms. RANGE. Yes, sir.

Senator GRAHAM. That is this chart. Going back to the front page, it states that the reason for the reduction in apportionments between 1986 and 1987 is due, in part—I am quoting it:

> To budgetary constraints but also to the inclusion of hundreds of millions of dollars of special interest demonstration projects in the bill.

Ms. RANGE. Yes, sir.

Senator GRAHAM. At the bottom of this, we have a total which, for 1986, would be an apportionment of $13,343,000,000, and for 1987, it is $11,753,000,000.

I think this was a very significant document. It appears that this may have been the document upon which Governor Baliles arrives, since it shows $103 million as Virginia's reduced funding, which is consistent with his public statements.

It shows my State with a $126 million reduction.

Ms. RANGE. In 1987, yes, that is true.

Senator GRAHAM. Yes. The question I would like to know.

Senator MOYNIHAN. It shows New York with $204.

Senator GRAHAM. I would like to know, what would the figure in the President's proposal have been that would have been comparable to the $11,753,000,000 figure which was apportioned under the conference committee report?

Ms. RANGE. As compared to 1986?

Senator GRAHAM. Just what? We know what the 1986 number is. That is a completed figure.

Ms. RANGE. Right.

Senator GRAHAM. What would the President have recommended be apportioned in 1987 that would have been the comparable figure to the $11,853,636,000 figure which is on this chart?.

Ms. RANGE. Senator, let me see if somebody has got it here. We can get the President's bill. In addition, the President supported the Senate-passed bill, and that comparable figure is on the next chart, Senate-passed bill, of $12,245,258,000.

Apparently we do not have the President's initial budget with me, and I will submit that for the record.

[Ms. Range supplied the following:]

The President's original 1987 proposal, the Essential Highway Reauthorization Amendments of 1987, included $12.335 billion in apportioned funds. The level of apportioned funds in the President's 1987 compromise proposal, $12.202 billion, would also have been acceptable, as would the level of $12.195 billion in the Senate bill.

Senator GRAHAM. I would like to know what that number is.

Ms. RANGE. Sure.

Senator GRAHAM. And then I would like to know how much of the difference between 1986 and 1987 was a function of budget constraint and how much was a function of money being taken from the apportionment tool to fund the demonstration projects.

Ms. RANGE. All right. We will do that to the best of our ability. There are other policy decisions that would affect that.

Senator GRAHAM. Since this is a document which went to the States and upon which respected and important State officials were making judgments, including recommendations to their congressional delegations as to how they should vote on this veto, I would like to get some information that would help us put in context whether they were being provided information that would allow them to arrive at the most appropriate judgments in terms of their own State interests and in comparison with what the real alternatives were for their State, including the alternative adoptions of what the President would have accepted as an appropriate level of apportionment.

Ms. RANGE. Yes, sir. We will provide that for the record.

Senator GRAHAM. Thank you.

[Ms. Range supplied the following:]

In FY 1986, budget authority for Federal-aid highways totaled $14.610 billion. Budget authority for Federal-aid highways in the Conference Report was set at $13.479 billion to come in line with FY 1987 budget resolution. The difference between these two figures, $1.131 billion, can be viewed as the measure of the funding reduction from FY 1986 to FY 1987 due to budget constraints.

The Conference Report authorized about $178 million a year in new funds not subject to the obligation ceiling to pay for half of the cost of demonstration projects under section 149 and to provide a guaranteed minimum apportionment to every state under that section. In addition, funding authorized for discretionary programs was reduced by approximately $107 million a year to pay for another 30 percent of the cost of these demonstration projects. The sum of these two accounts, about $285 million, could have been apportioned to all the states if there were no demonstration projects. Therefore, this amount can be viewed as the decrease in apportionments from FY 1986 to FY 1987 due to the inclusion of demonstration projects.

In addition, the Conference Report authorized about $165 million a year starting in FY 1987 for a new Interstate 4R discretionary program that did not exist in FY 1986. In the absence of this program, funds apportioned to all the states could have been increased by $165 million a year. This is also part of the explanation of the reduction in apportionments from FY 1986 to FY 1987.

Senator MOYNIHAN. Mr. Pressler? No questions?

Madam Secretary, let me say to you that we are not concluded with this matter, but we will review this record with great care, and we have a problem. The first is the general problem of trust in relationship between the executive branch and the legislative. There was that career officer in the Federal Highway Administration about to have heart surgery coming in to work all night.

Then we get the basically disturbing attitude on the one hand, we are busting the budget; on the other hand, we are not getting enough; the whole question of accuracy of information; accuracy of statements is a real question in this government. Many, many

people are not believed any longer, and can I make a suggestion to you?

Ms. RANGE. Yes, sir.

Senator MOYNIHAN. You do not add to the confidence of this chairman when you talk about how this program would add to the deficit as if something very special were about to happen to add to the deficit. Then asked, "Well, would the President's salary add to the deficit?"

"Yes."

"Will your salary for the next 2 years add to the deficit?"

"Yes." And the expenditure at some level of a certain intellectual disregard for rigor. You spoke of incompetence. There is a level of incompetence that becomes deliberate and it moves over into the edge of ideology. Beware of it.

Gentlemen? Thank you all for your courtesy, and we will close the hearing and we will wait forth.

Ms. RANGE. Thank you.

[Whereupon, at 11:13 a.m., the subcommittee was recessed, subject to the call of the Chair.]

[Statements and the exhibits referred to follow:]

STATEMENT OF R. A. BARNHART, ADMINISTRATOR
FEDERAL HIGHWAY ADMINISTRATION
U. S. DEPARTMENT OF TRANSPORTATION

HEARING BEFORE THE SUBCOMMITTEE ON WATER RESOURCES,
TRANSPORTATION AND INFRASTRUCTURE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE

April 28, 1987

Good morning, Mr. Chairman, and Members of the Subcommittee.

You have asked that I appear today to explain the relationship between FHWA and the Office of the Secretary, and to examine FHWA's policy and procedures which govern its relationships and communications with Congress.

It is obvious by definition that the Federal Highway Administration, being one of the modal administrations which comprise the Department of Transportation, is directly accountable to the Secretary. Major policies are developed in concert with the Office of the Secretary, and significant actions of FHWA are brought to her attention not necessarily for clearance purposes, but so that she may be fully aware of those actions for which she is ultimately accountable.

Mrs. Range can cover the Secretary's policies regarding OST's congressional relations. The Federal Highway Administration has no formal written guidelines which control its activities and relationships with Congress; and while it is subject to guidance from OST, it, at the same time, exercises a great deal of autonomy. Routine requests, whether oral or written, for technical assistance made by individual Members of Congress, Hill

committees, or staffs, can be filled by Associate Administrators or Office Directors without prior approval, although I do require that the responding party notify other appropriate FHWA offices of the substance of the contact. My office is also provided copies of all documents sent to the Hill. Responses regarding especially sensitive issues are cleared by either the Executive Director or me. When a highway bill is in conference, or when an issue is in debate, all information must clear my office prior to the time it is sent to the Hill if at all possible. Responses are not delayed for this clearance, however, if the need for the information is urgent. Basically, my instruction is to use common sense and courtesy. FHWA's responsiveness to this Subcommittee and to the full Committee is typical of its relationships on the Hill.

All requests for technical information, legal interpretations, or drafting assistance are answered in a timely way, and regardless of whether or not the FHWA supports or opposes the objective which the request is intended to serve. Frankly, FHWA is rather proud of its reputation for responding factually and fully to requests. There are some who regard it as foolish for FHWA to, simply because of a request, draft legislation which we will ultimately work to defeat. I reject that criticism, for as a professional, public agency of government, FHWA is often the Nation's sole repository of authoritative highway data. While it is appropriate that this Administration pursue its own highway agenda, it has a fundamental responsibility to share its information and to protect the integrity and credibility of this

Federal agency. The policy of responding to requests for technical assistance in the neutral sense, as I have just outlined, serves that end.

With respect to the document that is the subject of this hearing, the facts as I know them are as follows:

1. The projected five-year losses of apportioned funds was an unfortunate extrapolation of an FHWA estimate for FY 1987.

2. The table does not reflect changes in category apportionments which will vary from year to year throughout the life of the bill.

3. The table was intended to cover only apportioned funds.

The Federal-aid highway program is extremely complicated, and because of technicalities, it can easily be confusing. The Federal Highway Administration prepared a document which compared on a State-by-State basis the apportionments calculated under S. 387 and under the H.R. 2 conference report for FY 1987. Those figures were accurate to the best of our knowledge. The highway program is not static, however, but has variables which cannot accurately be predicted years in advance. For instance, Interstate vehicle-miles-of-travel and Interstate lane miles which are the basis of the Interstate 4R apportionment fluctuate from year-to-year, as does the postal route mileage (rural delivery routes and intercity mail routes) which is one of the factors used in apportioning Federal-aid primary, secondary, and rail-highway crossing funds. The total public road mileage used as the basis for distribution of hazard elimination funds, and the number of

rail-highway crossings used to distribute that funding, change each year. The factors for Interstate highway substitution projects are also updated annually to reflect the previous year's allocation of the 25 percent discretionary funds. Increases in the Interstate construction authorization will affect apportionments for FY 1988 through FY 1991, as will lapses, reapportionments, and the updating of the Interstate Cost Estimates. Allocations of discretionary funds can also affect a State's subsequent apportionments.

Most of these factors change annually, and thus, increase or decrease a State's relative share of apportioned funds and especially affect the 85 percent minimum allocation a State may receive. The 85 percent minimum allocation computation may also change because of the inclusion of additional categories of funds and because that figure relates to the annual estimated highway taxes attributable to the State.

Because of all of these annual variations, it has been FHWA practice to use the latest year's apportionment factors when estimating the subsequent year's apportionment. In summary, one cannot simply multiply a given year's apportionments by a given number of years to predict with certainty a future result. When FHWA is requested to, for instance, project a worst-case scenario for future years, we consciously caveat the conclusion to avoid misunderstandings. Unfortunately, such was not done in the instance held before you.

Can I answer any questions?

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DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
WASHINGTON, D.C. 20590

OFFICE OF
THE ADMINISTRATOR

June 2, 1987

IN REPLY REFER TO
HCC-10

The Honorable Daniel Patrick Moynihan
Chairman, Subcommittee on Water Resources,
Transportation and Infrastructure
United States Senate
Washington, D. C. 20510

Dear Senator Moynihan:

Enclosed are answers to the questions sent to us by your letter of May 13, 1987. I hope that our testimony on April 28 before your Subcommittee was helpful in clarifying matters on the information disseminated by the Department while Congress was considering the highway bill.

I want to assure you that this agency is dedicated to complete cooperation with the Committee. We are expeditiously implementing the highway legislation and will work with the Committee in this effort.

Sincerely,

R. A. Barnhart
Federal Highway Administrator

Enclosures

QUESTION 1:

Please provide definitions of two terms as they apply to the Federal-aid highway program: apportionment and allocation. Please list the categories of funding which are apportioned and the categories of funding which are allocated.

ANSWER:

The term "apportionment" as it applies to the Federal-aid highway program refers to the distribution of authorized funds to the States for specific programs under formulas or other distribution procedures that are prescribed in law. The term "allocation" as it applies to the Federal-aid highway program refers to the distribution of funds to the States by administratively determined formula or criteria, and/or criteria provided in the law. The allocation process is used when there is no formula prescribed in law and for the distribution of funds to a State or States when Congress authorizes funds for a specific project or projects, such as the various authorizations for demonstration projects.

The funds for the following program categories are apportioned to the States.

1. Interstate Construction (except for the annual $300 million discretionary set aside)
2. Interstate 4R (except for the annual $200 million discretionary set aside)
3. Interstate Transfer -- Substitute Highway Projects (except for the annual 25 percent discretionary set aside)
4. Consolidated Primary
5. Rural Secondary
6. Urban System
7. Bridge Replacement and Rehabilitation (except for the annual $225 million discretionary set aside)
8. Hazard Elimination
9. Rail-Highway Crossings on any Public Road
10. Metropolitan Planning
11. Safety (Section 402)
12. Minimum Allocation

The funds for the following programs are allocated to the States.

1. Interstate Construction -- Discretionary Set Aside
2. Interstate-4R -- Discretionary Set Aside
3. Interstate Transfer-Substitute Highway Projects -- Discretionary Set Aside
4. Bridge Replacement and Rehabilitation -- Discretionary Set Aside
5. Forest Highways
6. Public Lands Highways
7. Indian Reservation Roads
8. Park Roads and Parkways
9. Emergency Relief
10. Motor Carrier Safety Assistance Program
11. Highway Safety R&D (Section 403)
12. Section 149 Demonstration Projects (STURAA of 1987)
13. Demonstration Projects -- Rail-Highway Crossings (19 Cities)
14. Transportation of Nuclear Waste (NM)
15. Urban High Density Program (IN)
16. Feasibility Study of Using Highway Electrification Systems (CA)
17. Cost Effectiveness Study of Highway Upgrading (PA-NY)
18. California Feasibility Study
19. Motor Vehicle Study
20. Rail-Highway Crossings Study
21. Access Highways to...Lakes
22. Baltimore-Washington Parkway (MD)
23. Airport-Highway Demonstration Project (MD)
24. Expressway Gap Closing Demonstration (CA)
25. Intermodal Urban Demonstration Project (MN)
26. Highway Safety and Economic Development Demonstration Projects (MS)
27. Airport Access Demonstration Project (CA)
28. Highway Safety Improvement Demonstration (MI)
29. Highway-Railroad Crossings Demonstration Project (NY)
30. Theodore Roosevelt Bridge Capacity Improvements (VA)
31. Airport Access Highway Demonstration Project (LA)
32. Nuclear Waste Transportation Safety Demonstration Project (NM)
33. Rural Transportation Assistance Program
34. Skill Training (23 U.S.C. 140)
35. Minority Business Enterprise (23 U.S.C. 140)

QUESTION 2:

During the April 28, 1987 hearing, Senator Graham asked the following question: "Our office received a telephone call from someone representing themselves to be in the Federal Highway Administration relative to our familiarity with the fact that Florida was shown to have lost $25.5 million. Who was authorized to make those calls, bringing to specific offices' attention the information on this sheet?"

Ms. Range replied: "Senator, I do not know anything. I can check for the record as to who made those calls."

Do you now know who made such calls? Were State DOTs and Governors also similarly contacted by telephone?

Did the U. S. Department of Transportation -- FHWA or OST -- initiate contact with State officials regarding the conference report on H.R. 2? Please describe the extent and nature of communications with State officials on this legislation.

ANSWER:

To the best of our knowledge, no one from the Federal Highway Administration made a call to Senator Graham relative to Florida having lost $25.5 million nor were representatives from the Federal Highway Administration calling senators, State Departments of Transportation or governors. The Federal Highway Administration did respond to calls received from the States and from the Congress.

TESTIMONY OF REBECCA GERNHARDT RANGE
ASSISTANT SECRETARY FOR GOVERNMENTAL AFFAIRS
U.S. DEPARTMENT OF TRANSPORTATION
BEFORE THE
SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
SUBCOMMITTEE ON WATER RESOURCES,
TRANSPORTATION AND INFRASTRUCTURE
CONCERNING DOT DISSEMINATION OF HIGHWAY INFORMATION
APRIL 28, 1987

Mr. Chairman and Members of the Subcommittee:

You have requested that Federal Highway Administrator Ray Barnhart and I testify before the Subcommittee today regarding the procedures which the Office of the Secretary (OST) and the Federal Highway Administration (FHWA) follow when communicating with Congress. The Subcommittee has also asked that we discuss the comparative analyses which DOT prepared and distributed during consideration of the Conference Report on H.R. 2, the Surface Transportation and Uniform Relocation Assistance Act of 1987.

I appreciate your giving us the opportunity to discuss these issues with you today. The Department values its good relationship with Congress and I sincerely hope that today's hearing will resolve any misunderstanding that may have resulted from this information.

OST/FHWA CLEARANCE PROCESS

There exists within the Department a clearance process which is followed before documents are transmitted to Congress. This process varies according to the nature of the material being sent

and circumstances of a particular request. In the case of charts such as those in question, Congressional requests generally are made to either the FHWA Administrator's office or OST's Office of Governmental Affairs and are assigned to the pertinent program office in either agency for action. When these charts are completed, both the program office and the requesting office check figures for accuracy and solicit comments from their OST or FHWA counterpart before the document is delivered to Congress.

Of course this process will vary depending upon the circumstances of the specific situation. Quite often, time constraints dictate a faster turnaround and thus a full clearance is not possible. For example, during this year's consideration of the reauthorization legislation, we estimate that requests for tables from Congressional offices was well over one hundred---many of which required less than a 24 hour turnaround. In fact, in one 15-hour time period, FHWA brought in a crew to work all night so that 21 tables could be provided to Senate offices in the morning. Under these circumstances, FHWA and OST confer as closely as possible; however the full clearance process cannot always be followed fully if we are to be responsive to the Senator or Congressman requesting the information.

PREPARATION AND DISSEMINATION OF DOCUMENTS

In particular, the Subcommittee has expressed concern about two specific DOT documents: (1) a set of charts with an accompanying cover note showing highway apportionments and project costs and (2) "State-by-State Comparison: Conference Report vs Senate-Passed Bill (S. 387)."

The first package of documents was assembled by the OST Office of Congressional Affairs. The cover note was prepared by Congressional Affairs, while the charts included in the package were prepared by the Federal Highway Administration's Office of Fiscal Services (apportionments) and the Office of Engineering (demo projects). This package was provided to congressional offices, state DOTs and the nation's Governors due to numerous requests which both OST and FHWA had received from these offices for information on the amounts that particular states would receive under the various legislative proposals.

The second document, "State-by-State Comparison: Conference Report vs Senate-Passed Bill (S. 387)" was prepared by the OST Office of Congressional Affairs and is the primary document in question. The numbers in the table, which show five-year apportionments projections, were based on FHWA figures outlined in a chart entitled, "Comparison of FY 1987 Estimated Apportionments Under Conference Report and Under Senate-Passed Bill" (March 17, 1987), which was included in the package of charts referred to previously. Because this chart provides a comparison using the Senate-passed bill, it was prepared prior to the Senate debate of the Conference agreement and was used only on the Senate floor.

The Subcommittee has expressed concern that these documents provided incomplete and misleading information to Congress. I assure you that the Department had absolutely no intention to mislead anyone with this information. Clearly, a footnote should have been included on the chart which explained the assumptions of

the five-year projection chart and indicated that the five year figures noted were based on projections of FY 1987 apportionment estimates. However, because of all the annual variations in apportionment factors, it has been accepted practice to use the latest year's apportionment factors when estimating future apportionments. Projecting one year's apportionments is the best way to arrive at future year figures.

THE FIVE YEAR PROJECTION TABLE

Because of the controversy which it has caused, I would like to clarify the five year figures featured in the table titled "State-By-State Comparison: Conference Report vs. Senate Passed Bill (S. 387)." The purpose of the table was to compare apportioned funds, that is funds distributed to the states by formula, under the Senate bill and under the Conference Report. It was intended to make the point that many states would get more apportioned funds under the Senate bill than under the Conference Report. This is essentially because H.R. 2 included significant demonstration and discretionary funding that is not distributed to all the states by formula. Had the demonstration project monies not been included, more funding could have been available to states for formula programs.

The five year table was prepared by my office on March 19 and was based on a table prepared by FHWA on March 17, 1987. This table compared FY 1987 apportionments under the Senate bill and the

Conference Report and the difference for each state was calculated. The difference for FY 1987 as shown in the March 17 FHWA comparison was multiplied by 5 to come up with a figure for the difference in apportioned funds over the life of the Conference Report. The Senate bill was a 4 year bill, but for purposes of comparison with the Conference Report, a 5 year time period was used.

As I indicated in my March 20, 1987 letter to you, "...it is incorrect to project precisely the impact over 5 years on the basis of 1-year apportionments because the factors used in determining the apportionments may change. In fact, the apportionments in the out years could be either somewhat lower or even higher."

This issue deserves further explanation. First, let me own up to a mistake not mentioned in my March 20, 1987 letter. By using fiscal year 1987 authorization figures to calculate apportionments for Interstate construction the Conference bill was understated by $150 million a year for fiscal years 1988-1991. As you may recall, the Interstate construction authorization for fiscal year 1987 in the Conference bill was set at $3 billion to help meet Congressional budget resolution targets for that year.

Turning to the issue of how apportionment factors can change from year to year, let me acknowledge that some apportionment factors can and do change from year to year. For example, Interstate vehicle miles of travel and Interstate lane miles used for the apportionment of Interstate-4R funds are revised each year. So is postal route mileage, which is used as one of the apportionment factors in the apportionment formula for the primary, secondary, and rail-highway crossings programs. Public road mileage used for the apportionment of hazard elimination funds is also revised annually as is the number of rail-highway crossings, which is used to apportion rail-highway crossing funds. The estimated cost of correcting deficient bridges, which is used to apportion bridge funds, is likewise updated annually. Interstate highway substitution project cost factors are also revised periodically to reflect allocations of discretionary funds, lapses and redistributions of lapsed funds.

With regard to the 85 percent minimum allocation, the amounts distributed are likely to increase in fiscal years 1989-1991 under the Conference bill due to the addition of Interstate discretionary funds and emergency relief funds in the calculation of the minimum allocation. However, since a precise, state-by-state calculation has to include the actual award of allocated funds in the year prior to apportionment, state-by-state factors cannot be estimated with any precision in the out years. In addition, increases and decreases in apportionment factors affect each State's relative share of apportioned funds thereby also affecting the 85 percent minimum allocation that a state may receive. The 85 percent minimum allocation computation also changes annually in response to the annual estimated Highway Account taxes attributable to each state.

As I stated in my letter, apportionment factors can either increase or decrease. Therefore, while using fiscal year 1987 apportionment factors over 5 years certainly does not provide precise out year numbers, it does provide a reasonable basis for multi year comparison, since this procedure does not involve a consistent bias one way or the other. That is, it does not make the Senate bill or the Conference bill look consistently larger or smaller in relation to the other.

This brings us to the question of the treatment of non-apportioned funds. The five year table did not include demonstration project funds, other special interest earmarked funds, discretionary funds, Federal Lands funds, and emergency relief funds that are not distributed to the States by formula. These allocated funds for FY 1987 totaled $780 million, or about six percent of the Senate bill and over $1.5 billion, or about 11 percent of the Conference bill. However, the fact is that the state by state distribution of a large share of these funds is not known in advance. For example, the distribution by states is not known for bridge discretionary, interstate discretionary, interstate substitution discretionary, Public Lands, Parkways and Park Highways, Indian Reservation Roads, Interstate 4R discretionary, and emergency relief funds. Given the uncertainties as to the distribution of these funds to particular states, we chose to focus the comparison on apportioned funds.

CONCLUSION

In the press of consideration of the highway bill, some of the information which the Department disseminated to Congress certainly could have been clearer. I would like to point out that immediately following your expression of concern about the five-year chart, I sent a letter to you, Mr. Chairman, which sought to clarify the information it contained. In addition, the Federal Highway Administration provided documentation outlining FY 1987 apportionments and known allocations by state to your staff.

In closing, I would like to report to you that the Department is vigorously implementing the new highway and transit law. Already the Federal Highway Administration has transmitted over $12 billion in apportionments and demonstration project funds to states.

That concludes my prepared remarks. I hope that my testimony has been helpful in describing DOT's practices in disseminating information to Congress and I would be pleased to respond to any questions that you or other Members of the Subcommittee may have.

EXHIBIT A

STATE-BY-STATE COMPARISON:
CONFERENCE REPORT VS. SENATE-PASSED BILL (S.387)

House and Senate conferees have completed negotiations on a $87 billion highway, highway safety and transit reauthorization bill. Under the highway title of the bill, the Department of Transportation estimates that:

- 41 states will receive lower apportionments under the conference report than under the Senate-passed bill, S.387.
- This difference in apportionments translates into a loss to states of $391.7 million annually, or $1.95 billion over the five year life of the legislation. Broken down by state, the losses over 5 years are as follows:

Alabama	$122.5 million	Nevada	$ 11 million
Alaska	13.5 million	New Hampshire	9.5 million
Arkansas	70.5 million	New Jersey	71 million
California	80.5 million	New Mexico	18.5 million
Colorado	59 million	North Carolina	161.5 million
Connecticut	8 million	North Dakota	16 million
Delaware	11 million	Ohio	241 million
Florida	25.5 million	Oregon	24.5 million
Georgia	107.5 million	Pennsylvania	149.5 million
Hawaii	106.5 million	South Dakota	17 million
Idaho	34.5 million	Tennessee	134 million
Indiana	149 million	Texas	489 million
Kansas	10.5 million	Utah	53.5 million
Kentucky	81.5 million	Vermont	10.5 million
Louisiana	120.5 million	Virginia	82 million
Maine	26.5 million	Washington	125.5 million
Maryland	63.5 million	West Virginia	1.7 million
Minnesota	73 million	Wisconsin	108.5 million
Mississippi	68.5 million	Wyoming	18 million
Missouri	69.5 million	Dist. of Columbia	32 million
Montana	16.5 million	Puerto Rico	3.1 million
Nebraska	12.5 million		

- In addition to lower apportionment levels, states lose spending authority under the conference agreement. Because of the inclusion of costly demonstration projects, conferees were forced to lower the highway program obligation ceiling to compensate for the large amount of money outside the obligation ceiling. Consequently, states would be allowed to spend only 95 cents of every dollar apportioned to them because of the lower ceiling. Thus, the losses to states in formula funds noted above would increase.

EXHIBIT B

Attached for your information are several tables outlining state-by-state apportionments under the 1987 highway reauthorization legislation. Three tables are included which (1) compare FY 1986 actual apportionments to projected 1987 apportionments; (2) compare FY 1987 apportionments under the Conference Agreement to those of the Senate-passed highway legislation (S.387) and (3) provide a state-by-state list of demonstration project costs.

You will notice that 47 of 50 states lose formula monies under the new agreement as compared to FY 1986 actual apportionments. This decrease in apportionments is due, in part, to budgetary constraints but also to the inclusion of hundreds of millions of dollars of special interest demonstration projects in the bill.

Should you have any questions or require further information, please contact the Office of Congressional Affairs, U.S. Department of Transportation at (202) 366-9714.

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3/16/87

U. S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

COMPARISON OF FY 1986 APPORTIONMENTS TO PROPOSED APPORTIONMENTS UNDER THE PENDING FEDERAL-AID HIGHWAY ACT OF 1987

GRAND TOTAL

STATE	FY 1986 ACTUAL APPORTIONMENTS*	FY 1987 PROPOSED APPORTIONMENTS	DIFFERENCE
ALABAMA	248,090,233	255,028,000	6,937,767
ALASKA	165,007,492	152,022,000	12,985,492-
ARIZONA	179,993,658	144,079,000	35,914,658-
ARKANSAS	134,715,377	123,383,000	11,332,377-
CALIFORNIA	1,085,731,655	952,736,000	132,995,655-
COLORADO	208,533,405	184,764,000	23,766,405-
CONNECTICUT	287,275,254	271,101,000	16,174,254-
DELAWARE	56,319,509	48,531,000	7,788,509-
FLORIDA	548,417,513	422,365,000	126,052,513-
GEORGIA	352,502,577	319,279,000	33,223,577-
HAWAII	125,864,290	133,358,000	7,493,710
IDAHO	93,917,778	83,405,000	10,512,778-
ILLINOIS	454,858,919	366,416,000	88,442,919-
INDIANA	276,829,289	250,164,000	26,665,289-
IOWA	193,992,782	163,944,000	29,448,782-
KANSAS	166,852,354	142,013,000	24,839,354-
KENTUCKY	225,197,369	162,900,000	62,297,369-
LOUISIANA	346,127,823	257,300,000	88,827,823-
MAINE	64,244,786	56,196,000	8,048,786-
MARYLAND	300,875,475	272,859,000	28,016,475-
MASSACHUSETTS	312,449,934	528,472,000	216,022,066
MICHIGAN	339,194,027	312,525,000	26,669,027-
MINNESOTA	258,502,492	224,666,000	33,836,492-
MISSISSIPPI	138,801,210	126,763,000	12,038,210-
MISSOURI	269,376,133	249,709,000	19,667,133-
MONTANA	119,460,906	106,852,000	12,608,906-
NEBRASKA	119,757,875	101,867,000	17,890,875-
NEVADA	80,145,763	70,377,000	9,768,763-
NEW HAMPSHIRE	63,471,654	53,359,000	10,112,654-
NEW JERSEY	383,493,164	312,667,000	70,826,164-
NEW MEXICO	116,138,899	102,786,000	13,352,899-
NEW YORK	832,399,818	627,443,000	204,956,818-
NORTH CAROLINA	311,437,201	288,573,000	22,864,201-
NORTH DAKOTA	84,650,815	73,756,000	11,894,815-
OHIO	476,278,497	415,384,000	60,894,497-
OKLAHOMA	207,657,779	189,470,000	18,187,779-
OREGON	193,752,280	166,221,000	27,531,280-
PENNSYLVANIA	557,408,523	499,014,000	58,394,523-
RHODE ISLAND	118,583,046	100,866,000	17,714,046-
SOUTH CAROLINA	169,791,177	147,799,000	21,992,177-
SOUTH DAKOTA	91,706,462	80,765,000	10,941,462-
TENNESSEE	264,753,743	241,405,000	23,348,743-
TEXAS	719,728,995	647,164,000	72,564,995-
UTAH	149,198,694	112,260,000	36,938,694-
VERMONT	60,955,504	51,728,000	9,227,504-
VIRGINIA	341,687,742	238,067,000	103,620,742-
WASHINGTON	327,980,243	259,164,000	69,816,243-
WEST VIRGINIA	114,268,289	105,661,000	8,607,289-
WISCONSIN	215,035,702	193,535,000	21,500,702-
WYOMING	91,924,432	79,813,000	12,111,432-
DIST. OF COL.	73,957,228	82,241,000	8,283,772
PUERTO RICO	85,864,139	81,381,000	4,483,139-
TOTAL	13,343,555,244	11,753,636,000	1,589,919,244-

*Reflects final FY 1986 apportionments after adjustments for the Balanced Budget and Emergency Deficit Control Act of 1985 and the Consolidated Omnibus Budget Reconciliation Act of 1985

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HFS-31
3/17/87

U. S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

COMPARISON OF FY 1987 ESTIMATED APPORTIONMENTS UNDER CONFERENCE REPORT AND UNDER SENATE PASSED BILL

STATE	SENATE PASSED BILL	CONFERENCE REPORT	DIFFERENCE
ALABAMA	279,560,000	255,028,000	24,532,000-
ALASKA	154,741,000	152,022,000	2,719,000-
ARIZONA	144,252,000	146,079,000	1,827,000
ARKANSAS	137,509,000	123,383,000	14,126,000-
CALIFORNIA	969,798,000	952,736,000	16,062,000-
COLORADO	195,564,000	184,764,000	11,800,000-
CONNECTICUT	272,742,000	271,101,000	1,641,000-
DELAWARE	50,726,000	48,531,000	2,195,000-
FLORIDA	427,503,000	422,365,000	5,138,000-
GEORGIA	345,787,000	319,279,000	21,508,000-
HAWAII	154,683,000	133,358,000	21,325,000-
IDAHO	93,349,000	83,405,000	6,944,000-
ILLINOIS	384,689,000	386,416,000	1,727,000
INDIANA	279,973,000	250,164,000	29,809,000-
IOWA	163,339,000	163,944,000	635,000
KANSAS	144,154,000	142,013,000	2,141,000-
KENTUCKY	179,160,000	162,900,000	16,260,000-
LOUISIANA	281,374,000	257,300,000	24,074,000-
MAINE	61,516,000	56,196,000	5,320,000-
MARYLAND-	285,591,000	272,859,000	12,732,000-
MASSACHUSETTS	373,523,000	528,472,000	154,949,000
MICHIGAN	301,479,000	312,525,000	11,046,000
MINNESOTA	219,235,000	204,666,000	14,569,000-
MISSISSIPPI	140,512,000	126,763,000	13,749,000-
MISSOURI	263,594,000	249,709,000	13,885,000-
MONTANA	113,721,000	106,852,000	3,349,000-
NEBRASKA	104,454,000	101,867,000	2,537,000-
NEVADA	72,612,000	70,377,000	2,235,000-
NEW HAMPSHIRE	55,218,000	53,359,000	1,859,000-
NEW JERSEY	326,890,000	312,667,000	14,223,000-
NEW MEXICO	106,520,000	102,786,000	3,734,000-
NEW YORK	604,935,000	627,443,000	22,458,000
NORTH CAROLINA	323,937,000	288,573,000	32,334,000-
NORTH DAKOTA	75,947,000	72,796,000	3,151,000-
OHIO	463,632,000	415,384,000	48,248,000-
OKLAHOMA	177,075,000	189,470,000	12,395,000
OREGON	131,091,000	126,221,000	4,870,000-
PENNSYLVANIA	523,893,000	499,014,000	24,879,000-
RHODE ISLAND	96,456,000	100,866,000	4,410,000
SOUTH CAROLINA	127,036,000	147,799,000	20,763,000
SOUTH DAKOTA	84,160,000	80,765,000	3,395,000-
TENNESSEE	268,250,000	241,405,000	26,845,000-
TEXAS	944,948,000	847,164,000	97,784,000-
UTAH	122,942,000	112,240,000	10,682,000-
VERMONT	53,795,000	51,728,000	2,067,000-
VIRGINIA	254,490,000	238,067,000	16,423,000-
WASHINGTON	283,223,000	258,164,000	25,059,000-
WEST VIRGINIA	105,997,000	105,661,000	336,000-
WISCONSIN	215,227,000	193,535,000	21,692,000-
WYOMING	83,467,000	79,813,000	3,654,000-
DIST. OF COL.	89,606,000	82,241,000	6,365,000-
PUERTO RICO	62,003,000	61,381,000	622,000-
TOTAL	12,145,288,000	11,753,636,000	391,652,000-

SPECIAL AND DEMONSTRATION PROJECTS IN 1987 HIGHWAY LEGISLATION

File Name: DEMO111

ITEM No.	STATE	PROJECT DESCRIPTION/LOCATION	A* FUNDED PROJECTS TOTAL 5-YEAR AUTHORIZATIONS 50% FF ($M)	30% FF ($M)	STATE ($M)	TOTAL ($M)	ESTIMATED ULTIMATE COST ($M)	B* FUNDED PROJECTS FEDERAL ($M)	STATE ($M)
1	Alabama	Fairhope/Foley--accelerate widening of US-90 to 4 lanes.	10.50	9.30	4.20	21.00	23.00	-	-
2	Alabama	Florence/Sheffield--Bridge over Tennessee River near Patton Island.	7.50	4.50	3.00	15.00	53.00	-	-
		STATE SUBTOTAL	18.00	13.80	7.20	36.00	76.00	0.00	0.00
3	Arkansas	Fort Smith--Traffic signalization and widening of Waldron Road.	4.25	2.55	1.70	8.50	8.50	-	-
4	Arkansas	Construction on US-71 between I-40/I-540 & MO State line @ Bella Vista.	22.50	13.50	9.00	45.00	105.00	-	-
5	Arkansas	Jonesboro-Const 4 Grade Separations on 4-lane Bypass Route of the City.	6.15	3.69	2.46	12.30	13.30	-	-
6	Arkansas	Pine Bluff--Highway Bridge at Lock and Dam	1.00	0.60	0.40	2.00	18.00	-	-
		STATE SUBTOTAL	33.90	20.34	13.56	67.80	224.80	0.00	0.00
7	California	San Bernadino Co.--Ontario International Airport Access.	14.50	8.70	5.80	29.00	38.00	-	-
8	California	San Jose/Santa Clara-reduce congestion at hwy/hwy & hwy/RR intersection.	14.50	8.70	5.80	29.00	29.00	-	-
9	California	Compton--Construct a Grade Separation @ RR/Hwy Crossing.	3.75	2.25	1.50	7.50	8.50	-	-
10	California	Modesto--construct RR grade separation on SR-132.	6.50	3.90	2.60	13.00	14.30	-	-
11	California	Riverside/Imperial Co.--Improve safety on SR-86 from I-8 to I-10.	4.00	2.40	1.60	8.00	120.00	-	-
12	California	City of Paso Robles. Const 2-lane Br (Riblick Rd) across Salinas River.	1.55	0.93	0.62	3.10	4.50	-	-
13	California	Los Angeles, Port Dems/Intermodal Transportation Project. (20 projects)	37.00	22.20	14.80	74.00	58.00	-	-
	California	It's an additional 7 Projects to the Los Angeles Port Dems project.	See 013	See 013	See 013	See 013	16.00	-	-
14	California	Santa Rosa-Improve 12.5 mi of Stoney Point Rd, from Petaluma to SR-12.	5.25	3.15	2.10	10.50	10.50	-	-
15	California	Healdsburg-Const of HOV lanes on N-S Route Named in (41)(A) above.	12.00	7.20	4.80	24.00	25.00	-	-
16	California	Anaheim-Build a Computerized Transportation Management Sys for the area.	0.45	0.27	0.18	0.90	0.90	-	-
17	California	San Diego--Improve SR-78 from I-5 (Oceanside) to I-15 (Escondido).	9.40	5.64	3.76	18.80	27.00	-	-
18	California	Concord--Reconstruct FAP route between Concord and West Pittsburgh.	2.00	1.20	0.80	4.00	39.00	-	-
19	California	Burbank/Glendale/Pasadena Airport--Const Access & Parking for Airport.	3.00	1.80	1.20	6.00	7.00	-	-
20	California	El Segundo--Increase capacity of Highway Tunnel serving the Airport.	1.50	0.90	0.60	3.00	76.00	-	-
21	California	Alameda Is'l-Improve Access (Sec 139) Rt, Serv Oakland Airp't/Alameda Is	4.00	2.40	1.60	8.00	66.00	-	-
		STATE SUBTOTAL	119.40	71.64	47.76	238.80	539.70	0.00	0.00
22	Connecticut	Southington--latest reconstruction techniques on N-S Hwy on FAU system.	1.93	1.16	0.77	3.85	4.00	-	-
23	Connecticut	Kent Center--change hor. & vert. alignment of N-S primary highway.	see 022	see 022	see 022	see 022	0.20	-	-
		STATE SUBTOTAL	1.93	1.16	0.77	3.85	4.20	0.00	0.00

ITEM# No.	STATE	PROJECT DESCRIPTION/LOCATION	A° FUNDED PROJECTS TOTAL 5-YEAR AUTHORIZATIONS 50% FF (8M)	30% FF (8M)	STATE (8M)	TOTAL (8M)	ESTIMATED ULTIMATE COST (8M)	B° FUNDED PROJECTS FEDERAL (8M)	STATE (8M)
24	Dist. of Col.	C&O Canal, Georgetown--Improve access to Georgetown University.	4.00	2.40	1.60	8.00	200.00	-	-
		STATE SUBTOTAL	4.00	2.40	1.60	8.00	200.00	0.00	0.00
25	Florida	Miami--Improved access to Port of Miami.	5.15	3.09	2.06	10.30	500.00	-	-
26	Florida	Sanford--expedite construction of an interchange at SR-46A and I-4.	7.00	4.20	2.80	14.00	14.50	-	-
27	Florida	Tampa--Construct grade separation on US-41. Port Access	6.85	4.11	2.74	13.70	13.70	-	-
		STATE SUBTOTAL	19.00	11.40	7.60	38.00	528.20	0.00	0.00
28	Georgia	Savannah--Bridge replacement over Savannah River. (Talmadge Br.)	33.25	19.95	13.30	66.50	91.00	-	-
29	Georgia	Reconst 3.8 mi of P'tree Indus Hwy, I-285 to SR-141 (6-lane fwy/with FR)	12.50	7.50	5.00	25.00	37.50	-	-
		STATE SUBTOTAL	45.75	27.45	18.30	91.50	128.50	0.00	0.00
30	Idaho	Boise-Extend Broadway-Chinden connector, I-184 to Broadway Ave. Downtown	11.50	6.90	4.60	23.00	18.00	-	-
31	Idaho	Post Falls--Reconst the Seltice Way from Pleasant View to Huetter Rd	see 030	see 030	see 030	see 030	5.00	-	-
32	Idaho	Upgrade US-20/26 bet'wn Idaho Nat Engr Lab and Idaho Falls	-	-	-	-	60.00	45.00	15.00
		STATE SUBTOTAL	11.50	6.90	4.60	23.00	83.00	45.00	15.00
33	Illinois	Jo Daviess/Stephenson Co.-Improve passing on 50 as of US-20 (truck rtel.	1.50	0.90	0.60	3.00	20.00	-	-
34	Illinois	Chicago-Replace movable Br with fixed span. Division St over Chicago Riv	6.00	3.60	2.40	12.00	13.20	-	-
35	Illinois	Cook Co.--Replace Bridge on Lake Shore Drive (Jackson Park Hist Dist).	see 034	see 034	see 034	see 034	4.50	-	-
36	Illinois	Cook Co.-Raze Ogden Ave Br. over Goose Is'd, B'tw Clybourn & Chicago Ave	see 034	see 034	see 034	see 034	0.90	-	-
37	Illinois	Cook Co.-Reconstruct 1-mile segment of Hwy between Nagle & Oak Park Ave.	6.04	3.62	2.42	12.08	0.40	-	-
38	Illinois	Cook Co.-Const 3 Parking facilities next to Rock Island RR line, SW Chic	see 037	see 037	see 037	see 037	1.44	-	-
39	Illinois	Oak Lawn-Widen/Resurface 4-lane Southwest Hwy to less than Minimum Stds.	see 037	see 037	see 037	see 037	1.70	-	-
40	Illinois	Calumet Park-Reconstruct 127th Street from Calumet Park to Blue Island.	see 037	see 037	see 037	see 037	1.05	-	-
41	Illinois	Cumberland Station-Const first level of 2-level Park/Ride facility.	see 037	see 037	see 037	see 037	5.30	-	-
42	Illinois	Chicago--Reconst Western Blvd over Western Ave near 33rd St	see 037	see 037	see 037	see 037	5.00	-	-
43	Illinois	Chicago-Const 2 parking lots at future SW Rapid Transit Sta.	see 037	see 037	see 037	see 037	3.00	-	-
44	Illinois	Mt Vernon--Reconst 1.4-mile sec of Ill-15 between Mt Vernon & I-57.	0.98	0.59	0.39	1.96	1.30	-	-
45	Illinois	Evansville--Upgrade Liberty & Broad Sts. between Ill-3 & County Hwy 4.	see 044	see 044	see 044	see 044	0.31	-	-
46	Illinois	Union Co--Improve route to a State Landmark Alto Pass to Bald Knob.	see 044	see 044	see 044	see 044	0.35	-	-
47	Illinois	Madison Co.--Reconstruct Center Grove Road from IL-157 to IL-159.	1.10	0.66	0.44	2.20	2.20	-	-
48	Illinois	Lincoln--Const Ill-121 Freeway between Lincoln (I-55) & Morton (I-74).	17.00	10.20	6.80	34.00	130.00	-	-
		STATE SUBTOTAL	32.62	19.57	13.05	65.24	190.44	0.00	0.00

ITEM No.	STATE	PROJECT DESCRIPTION/LOCATION	A° FUNDED PROJECTS TOTAL 5-YEAR AUTHORIZATIONS 50% FF ($M)	30% FF ($M)	STATE ($M)	TOTAL ($M)	ESTIMATED ULTIMATE COST ($M)	B° FUNDED PROJECTS FEDERAL ($M)	STATE ($M)
49	Indiana	Cline Avenue/Borman Expressway Interchange upgrading in East Chicago	-	-	-	-	12.75	11.48	1.28
50	Indiana	Hammond--Relocate RR to eliminate RR/Hwy Grade Crossing.	2.82	1.69	1.13	5.63	20.00	-	-
51	Indiana	Lafayette--Railroad Relocation Project	20.00	12.00	8.00	40.00	79.00	-	-
		STATE SUBTOTAL	22.82	13.69	9.13	45.63	111.75	11.48	1.28
52	Iowa	Clarinda--Reconstruct Highway between Clarinda and Shenandoah.	4.50	2.70	1.80	9.00	12.60	-	-
53	Iowa	Replace US-30 Bridge to Blair, Nebraska	-	-	-	-	5.40	4.86	0.54
54	Iowa	Relocation US-61 in Dubuque & widen US-61 south to DeWitt	20.00	12.00	8.00	40.00	50.00	-	-
		STATE SUBTOTAL	24.50	14.70	9.80	49.00	68.00	4.86	0.54
55	Kansas	Emporia--Provide a new Prairie Street Overpass	-	-	-	-	5.60	4.20	1.40
56	Kansas	Olathe--Improve the 119th Street Interchange	13.00	7.80	5.20	26.00	26.00	-	-
57	Kansas	Lawrence--Construct a By-pass Project	-	-	-	-	21.00	15.75	5.25
58	Kansas	Wichita, Replace Kellogg/Oliver St Interchange with new fly-over design	-	-	-	-	10.00	7.50	2.50
59	Kansas	Douglas Co-Const 4-ln Access Rd (K-10) b'tn I-70 & Reservoir/Research Pk	4.50	2.70	1.80	9.00	15.20	-	-
		STATE SUBTOTAL	17.50	10.50	7.00	35.00	77.80	27.45	9.15
60	Kentucky	KY-22 from Sweeton to I-75 at Dry Ridge. May use KY-36 to Williamstown.	-	-	-	-	20.50	15.38	2.05
61	Kentucky	Campbell Co--KY-9, 2.1-mi sec from I-275 north to 4-lane sec in Wilder.	4.50	2.70	1.80	9.00	11.20	-	-
62	Kentucky	KY-461 from KY-80, Shopville to US-25, Mt Vernon. Pulaski/Rockcastle Co.	7.00	4.20	2.80	14.00	14.10	-	-
63	Kentucky	Pike Co-Reconst a 2-mile section of US-119 (MP8 Cor 61.	7.50	4.50	3.00	15.00	25.00	-	-
		STATE SUBTOTAL	19.00	11.40	7.60	38.00	70.80	15.38	2.05
64	Louisiana	Lafayette--Extension of I-49 from I-10, south to the Vermillion River.	3.00	1.80	1.20	6.00	160.60	-	-
65	Louisiana	Shreveport--Extension of I-49 from I-20, north to I-220.	see 864	-	-	see 864	182.50	-	-
66	Louisiana	Baton Rouge--Traffic improvement near I-12/Essen Lane interchange.	5.40	3.24	2.16	10.80	14.00	-	-
67	Louisiana	Baton Rouge--Construct additional ramp lane to I-10/110 interchange.	see 866	-	see 866	-	39.20	-	-
68	Louisiana	E Baton Rouge--Traffic improvement near I-12/Sherwood Forest Blvd int'ch	see 866	-	see 866	-	0.10	-	-
69	Louisiana	NE Baton Rouge--Construct access road from I-110 to the Airport.	see 866	-	see 866	-	3.00	-	-
70	Louisiana	Minden--Construct frontage road along I-20.	0.38	0.23	0.15	0.75	0.75	-	-
71	Louisiana	East Lafayette-Diamond Interchange at Louisiana Ave and Interstate Hwy	1.25	0.75	0.50	2.50	5.00	-	-
72	Louisiana	East Lafayette--Proj to provide access to the Interstate from a highway	1.25	0.75	0.50	2.50	7.00	-	-
73	Louisiana	I-10 int'ch @ Sulphur & 2 ml access road (Arizona Ave to LA-108)	2.95	1.77	1.18	5.90	5.90	-	-
		STATE SUBTOTAL	14.23	8.54	5.69	28.45	413.05	0.00	0.00

ITEM No.	STATE	PROJECT DESCRIPTION/LOCATION	A° FUNDED PROJECTS TOTAL 5-YEAR AUTHORIZATIONS 90% FF ($M)	10% FF ($M)	STATE ($M)	TOTAL ($M)	ESTIMATED ULTIMATE COST ($M)	B° FUNDED PROJECTS FEDERAL ($M)	STATE ($M)
74	Maine	Brunswick-Topsham Bypass, From I-95 to Brunswick NAS to Bath Iron Works	15.00	9.00	6.00	30.00	30.00	-	-
		STATE SUBTOTAL	15.00	9.00	6.00	30.00	30.00	0.00	0.00
75	Maryland	Washington Co. US-40 Const EB Ramp to US-40 & WB Access Rd from Mt. Rd	0.28	0.17	0.11	0.56	0.56	-	-
76	Maryland	Re-align intersection of Md-162 (Hancock Ferry Rd) with Poplar Ave.	1.55	0.93	0.62	3.10	1.30	-	-
77	Maryland	Widen 2 mi of Md-162 from Poplar Ave to Md-176 to 4 lanes	see 076	see 076	see 076	see 076	0.30	-	-
78	Maryland	Widen 1/2 mi Poplar Ave from Md-170 to Md-162 to 4 lanes	see 076	see 076	see 076	see 076	1.50	-	-
79	Maryland	Rd-4 Bridge over Patuxent River Prince Georges & Anne Arundel Counties	1.29	0.77	0.52	2.58	2.58	-	-
80	Maryland	Const interchange Md-3 & Blair Br in Bowie	4.31	2.59	1.72	8.62	8.62	-	-
81	Maryland	Rd-197 const 4 lane Hwy to bypass Bowie & serve Bowie State College	2.70	1.62	1.08	5.40	5.40	-	-
82	Maryland	Relocate Md-115 from Montgomery Village Ave to Shady Grove Rd	4.28	2.57	1.71	8.56	8.56	-	-
83	Maryland	Rehabilitation of Md-213 bridge over Chester Riv Queen Anne's & Kent Co	1.99	1.19	0.80	3.98	3.98	-	-
84	Maryland	Replace bridge connecting Md-838 to Hye Island Rd Queen Anne's Co	1.30	0.78	0.52	2.60	2.60	-	-
		STATE SUBTOTAL	17.70	10.62	7.08	35.40	35.41	0.00	0.00
85	Massachusetts	East Milton--construct deck over I-93.	1.75	1.05	0.70	3.50	30.00	-	-
86	Massachusetts	Lawrence-Canal Serv Rd along the Shawsheen River (Mass Ave-Merrimack St)	2.00	1.20	0.80	4.00	4.00	-	-
87	Massachusetts	Const road between Liberty St and Mass 21 in Belchertown	0.50	0.30	0.20	1.00	1.00	-	-
		STATE SUBTOTAL	4.25	2.55	1.70	8.50	35.00	0.00	0.00
88	Michigan	Wayne Co.--two road improvements to demonstrate safety, etc.	1.10	0.66	0.44	2.20	3.90	-	-
89	Michigan	Mason Co US-10/31 and US-31	20.00	12.00	8.00	40.00	43.40	-	-
		STATE SUBTOTAL	21.10	12.66	8.44	42.20	47.30	0.00	0.00
90	Minnesota	Const 89/Hwy 5eg in Moorhead & Reconst 2 Segs of US-2, Fosston - Bagley	2.50	1.50	1.00	5.00	2.50	-	-
91	Minnesota	Pine City--construct interchange on I-35 and county road.	1.30	0.78	0.52	2.60	1.90	-	-
92	Minnesota	Reconstruct County Road-129 on Access Road to the Voyageurs Nat'l Park.	2.27	1.36	0.91	4.53	4.53	-	-
93	Minnesota	Aurora/Hoyt Lakes--Const Hwy connecting Aurora/Hoyt Lakes & Silver Bay.	0.75	0.45	0.30	1.50	25.00	-	-
94	Minnesota	St Louis Co--Const Access Rd from CR-413 to the Boise Forte Chippewa Res.	0.50	0.30	0.20	1.00	1.00	-	-
95	Minnesota	Design/Locate replacement of the Bloomington Ferry Br, Hennepin/Scott Co	20.00	12.00	8.00	40.00	46.75	-	-
		STATE SUBTOTAL	27.32	16.39	10.93	54.63	82.68	0.00	0.00

NO.	STATE	PROJECT DESCRIPTION/LOCATION	A* FUNDED PROJECTS TOTAL 5-YEAR AUTHORIZATIONS SOU FF ($M)	SOU FF ($M)	STATE ($M)	TOTAL ($M)	ESTIMATED ULTIMATE COST ($M)	B* FUNDED PROJECTS FEDERAL ($M)	STATE ($M)
96	Mississippi	Widen US-98 for 14.7 miles near Hattiesburg (Forrest and Perry Counties)	10.29	6.17	4.12	20.58	20.58	-	-
		STATE SUBTOTAL	10.29	6.17	4.12	20.58	20.58	0.00	0.00
97	Missouri	Carthage/Reed--accelerate construction of Priority Primary Rte 71.	22.50	13.50	9.00	45.00	199.00	-	-
98	Missouri	Columbia--Add 2 lanes to a 10A-mile route between Columbia & Lancaster.	5.50	3.30	2.20	11.00	261.00	-	-
99	Missouri	Phase I of the South Midtown Freeway US-71 in Kansas City.	7.50	4.50	3.00	15.00	147.90	-	-
100	Missouri	St Charles Co.--Const SR-115 Bypass from I-270, west 12.5 miles to I-70.	6.50	3.90	2.60	13.00	160.20	-	-
101	Missouri	Restore the Martin Luther King Bridge, Between St Louis and East St Louis	-	-	-	-	55.50	44.40	11.10
		STATE SUBTOTAL	42.00	25.20	16.80	84.00	816.60	44.40	11.10
102	Nebraska	Replace US-30 bridge over Missouri Riv between Blair, NE & Mo Valley, IA	2.70	1.62	1.08	5.40	5.40	-	-
		STATE SUBTOTAL	2.70	1.62	1.08	5.40	5.40	0.00	0.00
103	Nevada	Sparks--Construction of Interchange Between I-80 and Sparks Boulevard.	5.25	3.15	2.10	10.50	11.70	-	-
104	Nevada	Improvement of the Boulder Highway in Henderson, Landscaping	8.05	4.83	3.22	16.10	4.00	-	-
105	Nevada	Las Vegas - Const Urban Interchange @ Sahara Ave. & I-15	see 0104	see 0104	see 0104	see 0104	9.00	-	-
		STATE SUBTOTAL	13.30	7.98	5.32	26.60	26.70	0.00	0.00
106	New Mexico	Construct a new route from Los Alamos to Santa Fe	20.00	12.00	8.00	40.00	80.00	-	-
107	New Mexico	For work of US-70 from Las Cruces to Texico	-	-	-	-	232.00	174.00	58.00
		STATE SUBTOTAL	20.00	12.00	8.00	40.00	312.00	174.00	58.00
108	New Jersey	Passaic Co.--Route 21 Acceleration project.	25.00	15.00	10.00	50.00	76.00	-	-
109	New Jersey	Lawrence Circle to Brick Twp, Reconstruction of Rotary.	10.00	6.00	4.00	20.00	13.20	-	-
110	New Jersey	Upgrade SR-70 from Lawrence Circle to Brielle Circle (Wall Township).	see 0109	see 0109	see 0109	see 0109	0.00	-	-
111	New Jersey	Dover Twp.--Bridge across the Toms River.	1.00	0.60	0.40	2.00	2.50	-	-
		STATE SUBTOTAL	36.00	21.60	14.40	72.00	91.70	0.00	0.00

ITEM# No.	STATE	PROJECT DESCRIPTION/LOCATION	A* FUNDED PROJECTS TOTAL 5-YEAR AUTHORIZATIONS 50% FF (MM)	30% FF (MM)	STATE (MM)	TOTAL (MM)	ESTIMATED ULTIMATE COST (MM)	B* FUNDED PROJECTS FEDERAL (MM)	STATE (MM)
	Pennsylvania	Loysburg	2.75	1.65	1.10	5.50	5.50	-	-
138	Pennsylvania	Johnstown-Study cost of a 4-lane Hwy between Rte 56 and Rte 22	-	-	-	-	1.00	-	-
139	Pennsylvania	Johnstown-Const FAP Proj to enhance safety & economic devel't of an area	5.50	3.30	2.20	11.00	60.00	-	-
140	Pennsylvania	Altoona/Tyrone--close 12-mile gap on US-220 in Blair County	45.00	27.00	18.00	90.00	90.00	-	-
141	Pennsylvania	Allentown--eliminate RR grade crossing, (Basin St. & CONRAIL crossing).	3.00	1.80	1.20	6.00	10.00	-	-
142	Pennsylvania	Southern Exp'way (P Fr Rte) connect to proposed Midfield Air terminal.	2.75	1.65	1.10	5.50	76.00	-	-
143	Pennsylvania	New 2-lane Hwy, Conway access road to I-79, (Mid-Valley Exp'way).	6.70	4.02	2.68	13.40	20.10	-	-
144	Pennsylvania	Croyle Twp-Upgrade 1.3-mile Access Rd to Johnstown Flood Nat'l Memorial.	0.36	0.22	0.14	0.72	0.72	-	-
145	Pennsylvania	Pittsburg/Brookville--Reconst 30-miles of 2-lane Rd between the Cities.	5.00	3.00	2.00	10.00	20.00	-	-
146	Pennsylvania	Chadville--Reconst 3.5-mile sec of FAP Rte near the Uniontown Bypass.	4.50	2.70	1.80	9.00	10.00	-	-
147	Pennsylvania	Construct Interchange off I-81 near Chambersburg. In Franklin County	2.50	1.50	1.00	5.00	5.00	-	-
148	Pennsylvania	Ebensberg--A Bypass to divert traffic from US-219 to a 5.1-mile segment	-	-	-	-	33.00	24.75	8.25
149	Pennsylvania	Ebensberg--A Study to 4-lane US-22 west of Ebensberg to Pittsburgh	-	-	-	-	1.50	1.13	0.38
150	Pennsylvania	Somerset--Study, & PE to upgrade US-219 to 4 lanes, Somerset to MD Line	-	-	-	-	1.00	0.75	0.25
151	Pennsylvania	Const a 4.9 mile by-pass of Exton Parallel to Route 30	-	-	-	-	75.00	67.50	7.50
		STATE SUBTOTAL	78.06	46.84	31.22	156.12	400.82	94.13	16.38
152	Rhode Island	RI-1 in Providence, Improvements on Allens Ave. & Eddy Street	3.90	2.34	1.56	7.80	4.00	-	-
153	Rhode Island	RI-33 in West Warwick, Improvements on Wakefield Street Segment	see 0152	see 0152	see 0152	see 0152	3.80	-	-
		STATE SUBTOTAL	3.90	2.34	1.56	7.80	7.80	0.00	0.00
154	South Carolina	Isle of Palms Bridge.	-	-	-	-	20.30	15.23	5.08
155	South Carolina	The SC portion of the Bobby Jones Exp'wy from I-20 to Georiga State Line	-	-	-	-	25.00	22.50	5.00
156	South Carolina	I connector from I-95, near Florence to US-17, N. of Myrtle Beach.	20.00	12.00	8.00	40.00	440.00	-	-
		STATE SUBTOTAL	20.00	12.00	8.00	40.00	485.30	37.73	10.08
157	South Dakota	Const Additional Lane on SD-244, from Mt. Rushmore Mem. to near Keystone	9.90	5.94	3.96	19.80	3.00	-	-
158	South Dakota	Grading & Surface US-18, from West Todd County Line east	see 0157	see 0157	see 0157	see 0157	9.30	-	-
159	South Dakota	Grading & Surface US-14, from Iroquois to DeSmet	see 0157	see 0157	see 0157	see 0157	7.54	-	-
		STATE SUBTOTAL	9.90	5.94	3.96	19.80	19.84	0.00	0.00
160	Tennessee	Clarksville--Improve access Rd to Ft Campbell. US-41A from US-79 to KY.	2.50	1.50	1.00	5.00	13.80	-	-
161	Tennessee	Erwin--Extend an APD Car B Hwy 15 miles from River View to Sam's Gap.	10.00	6.00	4.00	20.00	96.50	-	-
		STATE SUBTOTAL	12.50	7.50	5.00	25.00	110.30	0.00	0.00

ITEM No.	STATE	PROJECT DESCRIPTION/LOCATION	A* FUNDED PROJECTS TOTAL 5-YEAR AUTHORIZATIONS 50% FF ($M)	30% FF ($M)	STATE ($M)	TOTAL ($M)	ESTIMATED ULTIMATE COST ($M)	B* FUNDED PROJECTS FEDERAL ($M)	STATE ($M)
112	New York	Buffalo--building connector to waterfront. (Lift Bridge & Frontage Rd.)	6.25	3.75	2.50	12.50	40.00	-	-
113	New York	Suffolk Co.--Upgrade the Sunrise Highway (SR-27) on Long Island.	4.88	2.93	1.95	9.75	150.00	-	-
114	New York	Steuben Co.--Rt 17 interchange with Rt 15 @ Painted Post.	4.00	2.40	1.60	8.00	25.00	-	-
115	New York	Relocate terminus of Lockport Expy (I-990) @ N French Rd & Const Int'cg.	4.00	2.40	1.60	8.00	31.50	-	-
116	New York	Long Island Expressway 4th lane study, would add 4th lane to I-495 in NY	1.00	0.60	0.40	2.00	36.00	-	-
117	New York	Extending the Nassau Expressway from Burnside Ave to Broadway	3.00	1.80	1.20	6.00	18.00	-	-
118	New York	Widen Westchester Pky, Hawthorne to Washburn & Reconst by Pleasantville	4.00	2.40	1.60	8.00	63.70	-	-
119	New York	Buffalo-Fuhrman Boulevard, access road parallel to Lake Erie	-	-	-	-	14.00	10.50	3.50
		STATE SUBTOTAL	27.13	16.28	10.85	54.25	346.70	10.50	3.50
120	North Carolina	Const Br. (Washington/Basnl) over Roanoke Sound between Manteo-Whalebone.	9.00	5.40	3.60	18.00	24.00	-	-
		STATE SUBTOTAL	9.00	5.40	3.60	18.00	24.00	0.00	0.00
121	North Dakota	Br Replacement & Access Rd to Sweetbriar and Crown Butte Lakes	12.80	7.68	5.12	25.60	1.80	-	-
122	North Dakota	Access Rd to Hazen Bay, Lake Sakakawea	see 0121	see 0121	see 0121	see 0121	1.20	-	-
123	North Dakota	Access Rd to Fort Ransom State Park	see 0121	see 0121	see 0121	see 0121	3.00	-	-
124	North Dakota	Access Rd to the Tri County Park, Devils Lake Recreation Areas	see 0121	see 0121	see 0121	see 0121	3.70	-	-
125	North Dakota	Access Rd to Parshall Bay, and Lake Sakakawea	see 0121	see 0121	see 0121	see 0121	2.80	-	-
126	North Dakota	Access Rd to Lake Oahe and numerous Bays	see 0121	see 0121	see 0121	see 0121	5.90	-	-
127	North Dakota	Access Rd to several Bays on Lake Sakakawea near Charlson	see 0121	see 0121	see 0121	see 0121	0.90	-	-
128	North Dakota	Access Rd to Lariemore Dam Recreation Areas	see 0121	see 0121	see 0121	see 0121	0.80	-	-
129	North Dakota	Access Rd to Fordville Dam Recreation Area	see 0121	see 0121	see 0121	see 0121	1.00	-	-
130	North Dakota	Access Rd to Golden Lake Recreation Areas	see 0121	see 0121	see 0121	see 0121	1.60	-	-
131	North Dakota	Access Rd to Several Bays on Lake Sakakawea near US-85, south Williston	see 0121	see 0121	see 0121	see 0121	0.80	-	-
132	North Dakota	Access Rd to US Fish & Wildlife Lake Darling Refuge	see 0121	see 0121	see 0121	see 0121	1.40	-	-
133	North Dakota	Access Rd to Van Hook Bay, Lake Sakakawea	see 0121	see 0121	see 0121	see 0121	0.60	-	-
134	North Dakota	Improvements to Sec Rd serving a regional grain terminal at Gladstone	4.05	2.43	1.62	8.10	8.10	-	-
		STATE SUBTOTAL	16.85	10.11	6.74	33.70	33.70	0.00	0.00
135	Ohio	Cleveland--Quigley Road including Ramp Replacement	4.00	2.40	1.60	8.00	8.00	-	-
136	Ohio	Upgrade SR-2, access to Cedar Point Amusement Park, Toledo-Port Clinton	10.00	6.00	4.00	20.00	42.60	-	-
		STATE SUBTOTAL	14.00	8.40	5.60	28.00	51.40	0.00	0.00
137	Oregon	Study alternates to Ferry St Br in Eugene	1.25	0.75	0.50	2.50	2.50	-	-
		STATE SUBTOTAL	1.25	0.75	0.50	2.50	2.50	0.00	0.00

ITEM No.	STATE	PROJECT DESCRIPTION/LOCATION	A* FUNDED PROJECTS TOTAL 5-YEAR AUTHORIZATIONS 50% FF ($M)	30% FF ($M)	STATE ($M)	TOTAL ($M)	ESTIMATED ULTIMATE COST ($M)	B* FUNDED PROJECTS FEDERAL ($M)	STATE ($M)
162	Texas	Beaumont Liberty/Laurel Overpass of I-10 connectes two St's./Phelan Blvd	3.00	1.80	1.20	6.00	12.00	-	-
163	Texas	Arcola - Construct Grade Separation between 2 Hwy & RR Crossing	1.50	0.90	0.60	3.00	5.00	-	-
164	Texas	US-59 corridor from Texarkana to Houston to Beeville	-	-	-	-	2066.40	1549.90	516.60
165	Texas	Dallas--Upgrade 15.4 miles of North Central Expressway, I-635 to SR-121	20.00	12.00	8.00	40.00	167.10	-	-
166	Texas	Ft Worth--Reconstruct I-30 Interchange (West Leg)	-	-	-	-	150.00	135.00	15.00
			24.50	14.70	9.80	49.00	2400.50	1684.90	531.60
167	Virginia	Roanoke Valley-Extension from Blue Ridge Parkway to the Explore Project.	7.50	4.50	3.00	15.00	15.00	-	-
168	Virginia	Gloucester Co--Replace/Expand Br connect Co. with Newport News/Hampton.	2.00	1.20	0.80	4.00	100.00	-	-
		STATE SUBTOTAL	9.50	5.70	3.80	19.00	115.00	0.00	0.00
169	West Virginia	New River--Construct Parkway between Interstate & New River.	8.80	5.28	3.52	17.60	80.00	-	-
170	West Virginia	Kanawha Co--Reconstruction of the Historic Chelyan Bridge.	1.00	0.60	0.40	2.00	48.50	-	-
			9.80	5.88	3.92	19.60	128.50	0.00	0.00
		U.S. GRAND TOTALS	$830.17	$501.11	$332.07	$1,660.35	$9,355.05	$2,149.71	$658.67

NOTE: EVERY STATE, INCLUDING THOSE NOT LISTED ABOVE, WILL RECEIVE A MINIMUM OF $4.154 MILLION IN "NEW" FEDERAL AUTHORIZATIONS (REF. 50% FF COLUMN)

March 17, 1987
FHWA, HNG-10

U.S. Department of Transportation
Office of the Secretary of Transportation

Office of Assistant Secretary
400 Seventh St., S.W.
Washington, D.C. 20590

May 29, 1987

The Honorable Daniel Patrick Moynihan
United States Senate
Washington, D.C. 20510

Dear Senator Moynihan:

As requested in your letter of May 13, enclosed are my responses to the Subcommittee follow-up questions to the April 28 hearing. I sincerely hope we have addressed your concerns thoroughly. Should you require further information, please let me know.

Sincerely,

Rebecca G. Range

Rebecca Gernhardt Range
Assistant Secretary for
Governmental Affairs

Enclosure

U.S. Department of Transportation
Office of the Secretary of Transportation

Office of Assistant Secretary
400 Seventh St., S.W.
Washington, D.C. 20590

MAY 29 1987

Responses to Subcommittee Follow-up Questions:

1. Please provide definitions of two terms as they apply to the Federal-aid highway program: appportionment and allocation. Please list the categories of funding which are apportioned and the categories of funding which are allocated.

Answer:

The term "apportionment" as it applies to the Federal-aid highway program refers to the distribution of funds, according to statutory formulas, to all qualifying states in proportion to their share of the formula factors. The term "allocation" refers to the distribution of funds to the states by other means than legislative apportionment formulas. This includes distribution by administratively determined formulas as or criteria, by criteria provided in law, or for a specific project or projects at the direction of Congress.

The funds for the following program categories are apportioned to the States: Interstate Construction (except for the annual $300 million discretionary setaside), Interstate 4R (except for the annual $200 million discretionary setaside), Interstate Transfer - Substitute Highway Projects (except for the annual 25 percent discretionary setaside), Consolidated Primary, Rural Secondary, Urban System, Bridge Replacement and Rehabilitation (except for the annual $225 million discretionary setaside), Hazard Elimination, Rail-Highway Crossings on any Public Road, Metropolitan Planning, Safety (Section 402), and Minimum Allocation.

The funds for the following programs are allocated to the States: Interstate Construction -- Discretionary Setaside, Interstate 4R -- Discretionary Setaside, Interstate Transfer - Substitute Highway Projects -- Discretionary Setaside, Bridge Replacement and Rehabilitation -- Discretionary Setaside, Forest Highways, Public Lands Highways, Indian Reservation Roads, Park Roads and Parkways, Emergency Relief, Motor Carrier Safety Assistance Program, Highway Safety R&D (Section 403), Section 149 Demonstration Projects (STURAA of 1987), Demonstration Projects -- Rail-Highway Crossings (19 cities), Transportation of Nuclear Waste (NM), Urban High Density Program (IN), Feasibility Study of Using Highway Electrification Systems (CA), Cost Effectiveness Study of Highway Upgrading (PA-NY), California Feasibility Study, Motor Vehicle Study, Rail-Highway Crossings Study, Access Highways to Lakes, Baltimore-Washington Parkway (MD), Airport-Highway Demonstration Project (MD), Expressway Gap Closing Demonstration, Intermodal Urban Demonstration Project (MN), Highway Safety and Economic Development Demonstration Projects (MS), Airport Access Demonstration Project (CA), Highway Safety Improvement Demonstration (MI), Highway-Railroad Crossing Demonstration Project (NY), Theodore Roosevelt Bridge, Airport Access Highway Demonstration Project (LA), Rural Transportation Assistance Program, Skill Training (23 U.S.C., 140) and Minority Business Enterprise (23 U.S.C., 140).

2. During the April 28, 1987 hearing, Senator Graham asked the following question: "Our office received a telephone call from someone representing themselves to be in the Federal Highway Administration relative to our familiarity with the fact that Florida was shown to have lost $25.5 million. Who was authorized to make those calls, bringing to specific offices' attention the information on this sheet?"

Ms. Range replied: Senator, I do not know anything. I can check for the record as to who made those calls."

Do you know now who made such calls? Were state DOTs and Governors also similarly contacted by telephone?

Did the U.S. Department of Transportation -- FHWA or OST -- initiate contact with State officials regarding the conference report on H.R. 2? Please describe the extent and nature of the communications with state officials on this legislation.

Answer:

As stated previously for the record, I am informed that the Federal Highway Administration did not make these calls to Congressional offices. Obviously, throughout consideration of the conference agreement, it was necessary for my staff to make calls to several House and Senate offices. However, any apportionment figures provided to Congressional staff were FY 1987 figures. I did not authorize nor, to the best of my knowledge, did my staff provide five year figures.

Also, to the best of my knowledge, five year figures were not provided by OST or FHWA staff to any state official. I am informed by the Federal Highway Administration that their staff did not initiate any contact with State officials but did respond to requests for information. The Office of Intergovernmental Affairs, in keeping with their responsibilities, maintained an ongoing liaison with state transportation officials and governors' offices. These contacts consisted of: (1) responses to request for information (i.e., copies of the bill, Administration positions, etc.) which were handled by phone and by mail; (2) phone calls initiated by the Office of Intergovernmental Affairs to state officials to determine the views of the states and to inform them of the Administration's views; and (3) a mailing to all staate transportation departments and governor's offices of Exhibit B as well as a follow-up mailing to those state officials who expressed an interest in the reasons behind the Administration's opposition to H.R. 2. This included the President's veto message and legislative proposal. A copy of this mailing is included.

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

March 30, 1987

The Honorable Joe Frank Harris
Governor of Georgia
State Capitol
Atlanta, Georgia 30334

Dear Governor Harris:

On Friday, March 27th, President Reagan vetoed the Highway/Transit Reauthorization Legislation. The President took this unprecedented action for a number of reasons. The legislation subverts the historic authority of state governments and undermines the 60-year Federal/State partnership under which states have determined the priority of highway projects.

The Department has developed an alternative proposal that can be enacted quickly once the President's veto is sustained. Consistent with the Congress-passed reauthorization bill, included in the proposal is a provision allowing advance construction projects undertaken by the states to be eligible for Federal funds. Both the Congress and the Administration recognize the importance of permitting states to begin much needed projects with the knowledge that Federal funds would be made available once reauthorization legislation is enacted.

Never before in our history has a President been compelled to veto a highway reauthorization bill. Never before has legislation so diminished the prerogatives of the states and so jeopardized the program.

I am committed to expeditious enactment of reauthorization legislation and will do everything reasonably within my power to ensure that funds will be available for use during the impending construction season.

With all best wishes,

Sincerely,

Elizabeth Hanford Dole

3/27/87

REVISIONS TO H.R.2

TO RESPOND TO THE PRESIDENT'S VETO MESSAGE

The revised bill generally incorporates the policy decisions reflected in the conference report for H.R. 2, the "Surface Transportation and Uniform Relocation Assistance Act of 1987". However, it reduces the levels in the conference report bill to more closely match the funding levels in the original Senate-passed bill and adopts the Senate approach for special interest construction projects. Most of the savings are accomplished by deleting the extra funding for demonstration programs and reducing the funding levels of DOT's discretionary programs.

In addition, most of the remaining funds that would have been distributed through discretionary programs are distributed by formula. Distributing the funding through the formula programs provides states with more predictable funding.

The bill also includes the change to the 55 mile per hour speed limit separately adopted by the House and Senate. A discussion of changes to the conference bill follows.

Table of Contents

The table of contents has been revised to reflect the deletion of the sections which revised the current Buy America protections governing transit and which changed the truck retail excise tax. A new section is added allowing tolls on the Boston Third Harbor Crossing, instead of the section which would have provided additional Federal funds.

ICE Approval/Substitute Projects

The Senate cost estimates have been used since the bill no longer provides special funding for Boston Interstate projects.

The discretionary portion of the program for Interstate Substitute highway projects has been ended.

Authorizations for Interstate Construction

The levels for the fiscal years 1988 through 1992 have been reduced by $300 million per year to reflect the ending of the Interstate construction discretionary program.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release March 27, 1987

TO THE HOUSE OF REPRESENTATIVES:

I am returning herewith without my approval H.R. 2, the "Surface Transportation and Uniform Relocation Assistance Act of 1987." I want to make clear that I strongly favor an adequate and fiscally responsible Federal-aid highway and transit program, and I support the provisions in H.R. 2 that would provide essential funds for legitimate transportation construction and safety projects. I also support allowing the States to raise their speed limits on rural interstate highways to 65 miles per hour. However, the bill authorizes excessive funding levels of $87.5 billion over 5 years, $10.1 billion more than my original request and more than is brought in by highway user taxes. It includes unjustifiable funding for narrow, individual special interest highway and transit construction projects, and it unfairly distributes transit funds. All of these reasons force me to veto H.R. 2.

H.R. 2 is an unsound bill. It represents a failure to exercise the discipline that is required to constrain Federal spending, especially pork barrel spending. I remain firm in my commitment to the American people to hold down Federal spending, and I ask the Congress to join me in that commitment by promptly enacting a bill that is consistent with the need for fiscal discipline.

In vetoing H.R. 2, I recognize that the States are rapidly running out of highway funds and that legislation is necessary to make funds available for the 1987 construction season. I am committed to that goal. Therefore, I was deeply disappointed when the Congress failed to pass an acceptable bill before it adjourned last year. The Administration transmitted its own bills to the Congress in January so that funds could be made available promptly to the States for legitimate projects. I am ready with an improved and acceptable proposal that I urge the Congress to enact without further delay. This proposal does not include special "pork barrel" projects, and provides a fair and equitable distribution to States of both highway and transit funds.

Some of the unaffordable provisions in H.R. 2 include add-on funding for 152 highway special interest projects. The 5-year Federal cost of the 152 highway projects is estimated to be $1.4 billion, and nearly $900 million of this amount is not subject to any spending controls. The total cost to complete these highway projects is estimated to be $5.5 billion, and they have not even been selected through the established Federal-aid highway program mechanism that relies on the expertise of State and local officials. In fact, there is virtually no hearing record and related analyses regarding the merits of these projects. The States, not the Congress, should determine their highway program needs.

The expansion of the scope of the Boston Interstate projects eligible for interstate highway funds would increase the Federal cost to complete the Interstate System by $1.1 billion. This provision is unfair because, for all other States, the Interstate System was closed to add-ons in 1981.

more

(OVER)

The direction in Title III to fund the Los Angeles Metrorail project also grossly distorts funding priorities. The provision would require that up to $870 million, or 14 percent, of the fuel taxes paid by motorists for the national transit program be spent in one city. Moreover, Los Angeles has not decided where to build the project, and the environmental review process is incomplete. The Department of Transportation should not be statutorily required to execute a new contract or make available additional money to Los Angeles or any other specific city, beyond amounts already agreed to by the parties.

Since 1983, over $4 billion collected from motorists in fuel taxes has been authorized for transit programs. Because these funds are not distributed by formula, this revenue has not been distributed equitably to each of the States. For example, in 1986, eleven cities received over 80 percent of the funds made available that year.

We must provide for a more equitable distribution of the fuel taxes that are collected from motorists and reduce the level of General Funds going to mass transit. An increase in the required local share for major mass transit projects is also needed to encourage the planning of more economically viable projects. In addition, I am opposed to the sharp increase in certain excise taxes contained in this bill.

Finally, H.R. 2 contains "Buy America" provisions that would be harmful to our trading interests. The increase in the domestic content requirements related to transit projects and the requirement that foreign rolling stock must be 25 percent cheaper than U.S. products are unwarranted. The changes invite retaliation against U.S. exports that are produced and marketed by U.S. businesses.

I am committed to the expeditious enactment of authorization legislation so that funds will be available for use during the impending construction season. To make that point I have made an alternative proposal. Let me briefly describe what my proposal would do. With regard to highway programs, we would authorize $66 billion over 5 years; the same levels provided in the Senate-passed bill. Compared to H.R. 2, our bill would provide a more fair distribution, with more money going to States through regular program formula distributions. States would be able to fund the projects identified in H.R. 2 from their allocation of highway funds, if they so choose, but not with add-on funding. There would be no special treatment for large projects.

We would apply the equity principle to transit programs as well. We would authorize $16.1 billion over 5 years, increase the local match for major projects, and would promote a fairer distribution of the gas tax receipts that are collected in all States but that now only benefit a few cities. We would not spend the taxpayers' dollars on high cost projects of dubious merit like the expansion of Los Angeles Metrorail.

In short, this is the way a reasonable and fair highway and transit bill should be constructed. Now, there is no reason why the Congress cannot send me a bill that I can sign quickly before the spring construction season is any further along.

RONALD REAGAN

THE WHITE HOUSE,
March 27, 1987.

# # #

Obligation Ceiling

The language putting demonstration projects outside the obligation ceiling has been deleted. In addition, the provision in the bill that would have created a "hole" (that is, additional obligational authority) in the obligation ceiling for fast-spending states has been deleted. Neither provision was in the Senate bill.

Authorization for Appropriations

The authorizations generally conform to the conference bill, except that $165 million has been added to the Interstate 4R program per year and $135 million per year has been added to the primary program. The authorization for Interstate Substitute highway projects has been reduced by $185 million per year, corresponding to the size of the discretionary portion of that program which has been ended. The authorization for parkways from the Trust Fund has been reduced by $20 million per year. The authorization for public lands roads has been reduced by $15 million per year to the level originally proposed by the Administration.

Interstate Discretionary Funds

The bill takes the Senate approach for Interstate discretionary funds. It would not provide any additional funds for the Interstate construction discretionary program and would not create a new Interstate 4R discretionary program.

Toll Facilities

Because of the interest expressed by a number of states, the number of states eligible to participate in the toll facility pilot program would be increased to 15.

Project Eligibility

The revised bill does not contain additions to the Interstate system that would be costly to the Federal taxpayer. The revised bill does not include special additional Federal funding for the Central Artery and Third Harbor Crossing in Boston, Massachusetts, or for a park and ride facility in Florida. A new section is added to permit Boston to charge tolls on the new Third Harbor Crossing and to use these tolls for work on the Third Harbor Crossing and the Central Artery that are not eligible for Federal Interstate construction funding.

Demonstration Projects

The revised bill would not contain special funding for demonstration projects. The projects would all become priority projects and be eligible for funds from most of the Federal-aid highway programs, at state option. Congressional interests would

be served because a project identified in this section is more likely to be constructed by a state since the project can be funded from any one of a number of otherwise separate highway programs.

Allocation of Section 3 Funds

The revised bill would help transit discretionary funds go further. The bill would change the Federal matching share for transit discretionary projects costing in excess of $50 million from 75% to 50%. This means the Federal funds will be spread among more projects. The bill also provides more flexibility in the total amount of the rail modernization and bus purchase allocations.

Transit Authorizations

The revised bill would increase the amount of fuels tax revenues going to all states for transit purposes. The bill would decrease the amount of transit funding coming from the general fund and increase the amount of transit funding for the formula program coming from the Mass Transit Account.

The bill would also delete funding from the Trust Fund for the University Centers program, since funding was not contained in the Senate bill.

Buy America

The bill does not contain costly new Buy America protections. Transit rolling stock is already adequately protected under current law. The new requirements in the conference report just increase the cost for state and local governments.

Los Angeles MetroRail

Language is included which would carry through on the existing agreement to provide $203 million for the completion of MOS-1. The bill would not contain the requirement that Los Angeles receive an unfair share of the national transit resources for work beyond the currently agreed upon MOS-1.

Special Tax Treatment

The revised bill would not change the tax treatment that currently exists for owners of trucks and those who lease their trucks. The current 12-percent retail excise tax applies to trucks with gross vehicle weight over 33,000 pounds and to truck trailers over 26,000 pounds. In the case of leased vehicles, the tax would continue to be imposed on the sale by the manufacturer to the lessor.

TRANSIT FUNDING
($ in billions)

	1987	1988	1989	1990	1991	5-Yr Total	
ADMINISTRATION COMPROMISE							
Trust Funds	1.1	1.2	1.25	1.5	1.5	6.55	
(Discretionary)	(1.1)	(0.9)	(0.75)	(0.6)	(0.4)		(3.75)
(Formula)	(0)	(0.3)	(0.5)	(0.9)	(1.1)		
General Funds Formula	2.0	1.9	1.8	1.4	1.2	8.3	
(Total Formula)	(2.0)	(2.2)	(2.3)	(2.3)	(2.3)		(11.1)
General Funds Other	0.25	0.25	0.25	0.25	0.25	1.25	
Total	$3.35	$3.35	$3.3	$3.15	$2.95	$16.1	
REFERENCE							
Trust Funds	1.1	1.2	1.25	1.3	1.4	6.25	
(Discretionary)	(1.1)	(1.1)	(1.125)	(1.15)	(1.2)		(5.675)
(Formula)	(0)	(0.1)	(0.125)	(0.15)	(0.2)		
General Funds Formula	2.0	2.1	2.1	2.1	2.1	10.4	
(Total Formula)	(2.0)	(2.2)	(2.225)	(2.25)	(2.3)		(10.975)
General Funds Other	0.25	0.25	0.25	0.25	0.25	1.25	
Total	$3.35	$3.55	$3.6	$3.65	$3.75	$17.9	

3. If you were preparing a "State-by-State Comparison: Conference Report vs. Senate-Passed Bill (S. 387)" like the one released by DOT on March 19, 1987, what corrections or clarifications would you make?

Answer:

If I had to respond to requests for a five year comparison again, I would clearly indicate that the five year figures for each state were estimated by multiplying fiscal year 1987 apportionments by five. I would also indicate that apportionment factors may vary somewhat from year to year. I would correct the table to reflect that the Interstate Construction apportionment under the Conference Report increased from $2.625 billion in fiscal year 1987 to $2.771 billion in fiscal years 1988 to 1991. Finally, I would indicate on the table itself, rather than on the cover note transmitting the table, that the table was prepared by the Department of Transportation.

4. The "State-By-State Comparison" contains the following statement: "Because of the inclusion of costly demonstration projects, conferees were forced to lower the highway program obligation ceiling to compensate for the large amount of money outside the obligation ceiling." In fact, S. 387 and the Conference Report on H.R. 2 establish an identical obligation limitation of $12.35 billion annually. Please explain why or how this misstatement on the obligation ceiling was made.

Answer:

The inclusion of costly demonstration projects in the Conference Bill did not force the Conferees to lower the obligation ceiling from the Senate bill. The Conference Report provides the same obligation ceiling ($12.35 billion) as the Senate bill. The statement refers to the fact that the obligation ceiling is lower than it could have been if demonstration projects had been eliminated. The conference report authorized $178 million a year in funds not subject to the obligation ceiling to pay for half the cost of demonstraation projects authorized under Section 149 and to guarantee a minimum allocation to every state under that section. If these demonstration projects had been eliminated, the obligation ceiling could have been raised by $178 million a year with no increase in total obligation and outlays.

5. Please explain the budgetary reasons for the reductions in funding levels between FY 1986 actual apportionments and FY 1987 apportionments as proposed under the various highway bills. What specific impacts did budget control legislation (e.g., Gramm - Rudman - Hollings and reconciliation) have on the amount of funding available for FY 1987 compared with FY 1986?

Answer:

The Gramm-Rudman-Hollings law sets targets for deficit reduction. On the expenditure side, these targets are achieved by controlling budget authority and obligations which in turn control outlays. The Gramm-Rudman law does not affect the proportion of Federal-aid highway funds that are apportioned, as opposed to allocated.

Budget authority for Federal-aid highways totaled $13.387 billion in fiscal year 1987 under the President's original legislative proposal, the Essential Highway Reauthorization Amendments of 1987. This proposal was based on a policy of deficit neutrality, whereby budget authority over the four year period of the bill was set equal to trust fund receipts. The proposal assumed additional revenues from the repeal of the gasohol, bus and state and local motor fuel tax exemptions. Without the repeals of these exemptions, budget authority for Federal-aid highways would have been $612 million lower each year. This deficit neutral approach was part of a government-wide effort to meet Gramm-Rudman targets in fiscal year 1987 and later years. The difference between the actual fiscal year 1986 authorization for Federal-aid highways of $14.610 billion, after the Gramm-Rudman reductions, and the figure of $13.387 billion in the President's proposal is $1.223 billion. This represents funding reductions in Federal-aid highways to meet Gramm-Rudman targets as reflected in the President's budget.

The FY 1987 Congressional budget resolution set targets for budget authority and outlays necessary to meet Gramm-Rudman deficit reduction targets. Again, the level of Federal-aid apportionments was not directly affected.

Budget authority for Federal-aid highways totaled $14.610 billion in fiscal year 1986, after the Gramm-Rudman reductions. Budget authority for Federal-aid highways in the Conference Report was set at $13.479 billion in fiscal year 1988 to conform to the fiscal year 1987 congressional budget resolution. The difference between these two amounts, $1.131 billion, represents the funding reduction due to the fiscal year 1987 budget resolution.

In FY 1986 apportioned funds totaled $13.395 billion. Under the Conference Report, 1987 apportioned funds amount to $11.800 billion. The President's original 1987 proposal, the Essential Highway Reauthorization Amendments of 1987, included $12.335 billion in apportioned funds. The level of apportioned funds in the President's 1987 compromise proposal was $12.202 billion, the level in the Senate bill was $12.195 billion, and the level in the House bill was $11.746 billion.

6. What were the differences in funding levels among the Conference Report on H.R. 2, the President's budget, and the Administration's alternative bill, S. 878? Please indicate the funding amounts for the highway and transit programs by category for the President's budget and S. 878 and compare them to the Conference Report.

Answer:

The attached chart outlines the difference in funding levels among the Conference Report on H.R. 2, the President's budget, and the Administration's alternative bill, S. 878.

COMPARISON OF FUNDING LEVELS
HR 2 CONFERENCE REPORT, PRESIDENT'S BUDGET, & ADMINISTRATION ALTERNATIVE BILL
CONTRACT AUTHORITY, OR AUTHORIZATIONS TO APPROPRIATE, IN THE LEGISLATION
ALL ENTRIES ARE DOLLARS IN MILLIONS

FILE: COMPARE C CLOSEW 05-06-87

	FUND	1987 STA ACT (HR 2 CONFERENCE REPORT)					1988 PRESIDENT'S BUDGET					ADMINISTRATION'S ALTERNATIVE BILL				
		1987	1988	1989	1990	1991	1987	1988	1989	1990	1991	1987	1988	1989	1990	1991
FHWA																
Federal-Aid Highways	HTF	13,479.630	13,782.429	13,701.929	13,858.959	13,858.959	13,387.000	13,387.000	13,387.000	13,387.000	14,489.000	13,292.583	13,152.474	13,166.974	13,186.004	13,286.004
Hwy-Rel Safety Grants (23 USC 402)	HTF	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000
Hwy Safety R&D (23 USC 403)	HTF	10.000	10.000	10.000	10.000	10.000	7.000	DASHDOWN)				10.000	10.000	10.000	10.000	10.000
Bureau of Motor Carrier Safety (Change from GF)	HTF	0.000					24.744	24.744	25.184	25.438	25.726	0.000				
University Troops Centers (Sec 328)	HTF	0.000	5.000	5.000	5.000	5.000	0.000					0.000				
Waste Isolation Pilot Project (Sec 166 b)	GF	50.000					0.000					50.000				
10 Cities Demo (Sec 163, '73 Act)	GF	5.000	5.000	5.000	5.000	5.000	0.000					5.000	5.000	5.000	5.000	5.000
Demo, Trust Fund Share (Sec 163, '73 Act)	HTF	10.000	10.000	10.000	10.000	10.000	0.000					10.000	10.000	10.000	10.000	10.000
FHWA TOTALS		13,572.630	13,742.429	13,741.929	13,898.959	13,898.959	13,428.744	13,421.744	13,422.184	13,422.438	14,444.726	13,385.583	13,187.474	13,201.974	13,221.004	13,281.004
				FHWA FIVE-YEAR TOTAL =		68,838.313			FHWA FIVE-YEAR TOTAL =		68,139.748			FHWA FIVE-YEAR TOTAL =		66,236.959
NHTSA																
Trust Fund Share, Operations & Research (23 USC 403)	HTF	33.000	33.000	33.000	33.000	33.000	34.172	34.000	34.000	34.000	34.000	33.000	33.000	33.000	33.000	33.000
Highway Traffic Safety Grants (23 USC 402)	HTF	126.000	126.000	126.000	126.000	126.000	118.000	118.000	118.000	118.000	118.000	126.000	126.000	126.000	126.000	126.000
Grants Sec 408 Reappropriation (Sec 203 b)	HTF	66.200					0.000					66.200				
National Driver Register	GF	0.000					1.600	2.250	2.250	2.250	2.250	0.000				
NHTSA TOTALS		225.200	159.000	159.000	159.000	159.000	145.772	146.250	146.250	146.250	146.250	225.200	159.000	159.000	159.000	159.000
				NHTSA FIVE-YEAR TOTAL =		861.200			NHTSA FIVE-YEAR TOTAL =		738.772			NHTSA FIVE-YEAR TOTAL =		861.200
UMTA																
Sections 9 & 18, Formula Grants	GF	2,000.000	2,100.000	2,100.000	2,100.000	2,100.000	2,000.000					2,000.000	1,900.000	1,800.000	1,400.000	1,200.000
Formula Grants, Urban, Capital & Operating	HTF	0.000					0.000	1,189.353	1,186.960	1,188.576	1,171.228					
Formula Grants, Rural	HTF	0.000					0.000	64.500	64.500	64.500	64.500					
8 & 9	HTF	0.000					0.000	17.000	17.000	17.000	17.000					
Elderly & Handicapped / Planning	HTF	0.000					0.000	78.000	78.000	78.000	78.000					
Admin Exp	HTF	0.000					0.000	32.747	33.140	33.524	33.672					
Section 18	HTF	0.000														
Sections 3, 4 i, 8, & 16 b, Discr'nary Grants (including Planning, Elderly & Handicapped)	HTF	1,097.000	1,000.000	1,000.000	1,000.000	1,000.000	1,002.500	0.000				0.000 1,097.000	300.000 900.000	500.000 750.000	900.000 600.000	1,100.000 400.000
Sections 3 & 18, Discr'nary & Block Grants	HTF	0.000	200.000	250.000	300.000	400.000	0.000					0.000				
Sections 6, 10, 11 a, 12 c, 16 h, & 20 (Research, Training, & Admin Exp)	GF	48.400	50.000	50.000	50.000	50.000	48.400					48.400	50.000	50.000	50.000	50.000
Interstate Substitutes, Transit (Sec 103 e 4)	GF	200.000	200.000	200.000	200.000	200.000	200.000	Part of Federal-Aid Highways)				200.000	200.000	200.000	200.000	200.000
University Troop Centers	HTF	0.000	DASHDOWN)	(5.000)	(5.000)	(5.000)	0.000					0.000				
Bus Test Facility (Sec 317 b)	HTF	0.200	1.000				0.000					0.000 0.200	3.000			
UMTA TOTALS		3,345.600	3,553.000	3,600.000	3,650.000	3,750.000	3,250.900	1,374.000	1,374.000	1,374.000	1,357.000	3,345.600	3,353.000	3,300.000	3,150.000	2,950.000
				UMTA FIVE-YEAR TOTAL =		17,898.600			UMTA FIVE-YEAR TOTAL =		8,729.900			UMTA FIVE-YEAR TOTAL =		16,698.600
DOT TOTALS		17,142.830	17,454.429	17,500.929	17,693.959	17,799.959	16,825.416	14,941.994	14,942.354	14,942.688	15,947.976	16,956.383	16,699.474	16,660.974	16,530.004	16,358.004
				DOT FIVE-YEAR TOTAL =		87,598.113			DOT FIVE-YEAR TOTAL =		77,608.429			DOT FIVE-YEAR TOTAL =		83,196.759

NOTE:
The President's original legislative proposals for FHWA, UMTA, and NHTSA were were 4 years bills that totaled 861.5 billion. The budget legislation was based on the repeal of certain tax exemptions. Without those repeals, the Budget would have been lower by 63,313 M in highways and 6182 M in transit over five years.

7. When was the decision made to produce the two documents labeled Exhibits A and B in the hearing? When were each sent to the House of Representatives, the Senate, the States, and other organizations?

Answer:

The decision to produce Exhibit A, which shows estimated apportionment losses to states over five years, was made on the morning of March 19. On that same morning, the document was prepared and hand delivered as part of a package to the Minority Leader's office. As you will recall, March 19 was the day upon which the Senate began its consideration of the conference agreement.

The decision to produce Exhibit B, showing estimated FY 1987 apportionments was made on the afternoon of March 17, the day proceeding the House consideration of the conference report. Exhibit B was prepared and hand carried to House offices that same evening and to Senate offices on the morning of March 18. The Exhibit B package was mailed to state DOTs and Governors offices on the evening of March 17. Following dispersment of the Exhibit B document to congressional and state offices, any interest groups or other organizations requesting the information were provided copies of Exhibit B.

8. How were these two documents distributed? Were either or both hand-delivered to Members of Congress?

Answer:

As stated previously in responses to the Committee's follow-up questions and in my testimony before the Committee, Exhibit A was hand carried to the Senate Minority Leader's office and apparently was distributed onto the Senate Floor from there. Exhibit B was hand delivered to both House and Senate offices by my staff on March 17 and 18 respectively.

9. How were the two documents transmitted to the States? Did all states receive them? Were either or both sent to Governors, State DOTs, or other officials or organizations?

Answer:

Exhibit A (five year apportionment losses) was not transmitted to the states.

Exhibit B was mailed to all state DOTs and Governors offices. We also received requests for copies of the Exhibit B tables from the National Governors Association and the American Association of State Highway and Transportation Officials and supplied them to these organizations.

10. Please describe the work experience or employment history your staff has with the Federal-aid highway program.

Answer:

In my Office of Congressional Affairs, the Congressional Relations Officer who handles highway issues has worked with the Federal-aid highway program for over three years, previously as a writer/editor in the Federal Highway Administration's Office of Public Affairs and as a Legislative Assistant and Intergovernmental Relations Officer in the Secretary's Office of Governmental Affairs. The Legislative Assistant currently handling highway issues in my Congressional Affairs office has worked with the Federal-aid highway program for eight years, working previously as a writer/editor and secretary in the FHWA Office of Public Affairs.

In my Office of Intergovernmental Affairs, the Intergovernmental Relations Officer/Deputy Director who handles highway matters has had six years of experience working with the Federal-aid highway program with state offices and interest groups.

[From the Congressional Record, March 18, 1987]

Pork Barrel Projects Rob States of Allocated Moneys

Mr. WALKER. Mr. Speaker, under the highway legislation that we will consider here in a few moments, 47 of 50 States will lose money under the formula of allocation. That is 47 of 50 States. And why? Because we decided to have a bunch of pork barrel projects put in the bill that rob these States of their money. My own State of Pennsylvania is robbed of $58 million.

What would happen if we would take out just one of those demonstration projects—just one, the biggest one? Four more States would get money and would be made whole again. Then it would be 43 of 50 States that would get enough money to make them whole again next year. If you take out one pork barrel project, 43 of 50 States could be made whole, based upon their allocation of last year.

Mr. Speaker, it seems to me that if there was such a case to be made against pork, it is the fact that it robs people of the money they deserve and the allocation they have paid for.

Inaccurate FHWA Information Leads to Confusion on Highway Bill

Mr. SHUSTER. Mr. Speaker, let me say to my dear friend, the gentleman from Pennsylvania, that I certainly do not blame him for having inaccurate information, but I say that it is inaccurate information because it is stuff that has been put out by the Federal Highway Administration.

The fact is that the reason why 47 of 50 States lose funds in this bill is because we are complying with the budget resolution. Surprise, surprise. There is a budget resolution which says that we must cut the obligational ceiling, and we are doing that, which means we are taking $1 billion out of the ceiling which otherwise was there.

So this very misleading document, this scurrilous document which has been circulated by the Federal Highway Administration, simply misleads our colleagues.

I would further say in conclusion, Mr. Speaker, that all of the demonstration projects in this entire bill add up to only 1.3 percent of the bill. But there is another surprise. Do you know that the discretionary dollars, the slush fund that the Secretary of Transportation has, adds up to 6.7 percent of the dollars in the bill?

Mr. Speaker, I say to my colleagues that we should not be misled by this information, and I further say that I do not blame my dear friend, the gentleman from Pennsylvania, for standing up here and in good faith quoting this document. He quite accurately tells us what the document says. The problem is that the document itself is fundamentally flawed and is inaccurate.

Mr. SHUSTER. * * *

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I have to say, Mr. Speaker, I was quite disappointed at the very misleading document circulated by the Federal Highway Administration yesterday and today which claims that under this legislation 47 of the 50 States will lose money, highway money as compared to what they were receiving under the old 1982 law. Well, Mr. Speaker, that is true. It is true that the States will receive less money than they were receiving under the 1982 law.

Why? Because we are complying with the Budget Act, we are complying with the budget requirements. Let me be specific; let me be precise.

Under the 1982 act we provided an original obligational ceiling of $14.5 billion a year. Then we eventually cut that to $13.2 billion, and what we have in this bill today is a further cut in order to comply with the budget requirements to $12.3 billion. So if we are taking $1 billion out of the spending, obviously, most States are going to get less money. So I am shocked that the Federal Highway Administration would take this and twist this and claim that the real reason we are losing this money is because of these terrible demonstration projects.

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Mr. WALKER. Mr. Speaker, I voted for this bill when it left the House. I had hopes the conference committee would improve it. They did not.

What we have is a formula now before us where 47 States across this Union are going to lose money in their formula under the conference report that we are adopting here. Why? Because of pork.

Here it is. Page after page after page after page after page after page after page after page of pork. That may be 1.3 percent of the budget, but in small print, it is one whale of a lot of pork.

What we are told here is the problem is that—the reason why we are losing the money is because it has to fit under the budget. Let me suggest to you that what they did was they fitted the pork under the budget so that we end up reducing the formula for everybody else.

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Mr. SHUSTER. * * *

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Finally, I would say again and emphasize again that when the gentleman talked about 47 States losing money in this bill compared to the 1982 bill that we passed, that is absolutely true because we have had to reduce the obligational ceiling in order to comply with the budget. That is the major reason why this funding is cut.

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[From the Congressional Record, March 19, 1987]

Mr. SANFORD. Mr. President, I must oppose the conference report on H.R. 2, the Surface Transportation and Uniform Relocation Assistance Act of 1987.

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In fact—according to Department of Transportation figures—when we compare the conference report to the Senate version of H.R. 2, we find that 34 of the 50 States are net losers. North Carolina stands to lose some $32 million a year to the net winners between now and fiscal year 1991. Any plan that cuts funding for 31 States while raising Federal spending by over $10 billion does not seem to be a step toward either fairness or fiscal responsibility.

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Mr DOLE. Mr. President, I certainly commend all those who brought this conference report to the floor. But I think in fairness, I should state that I have just received a letter from the President, dated today, March 19, in which he indicates that the conference report will be vetoed in its present form. I would just quote from the letter. He said he:

". . . I strongly support the House and Senate efforts to allow States to raise the speed limit to 65 m.p.h. on rural Interstate highways, overall the measure is seriously flawed.

"It is distressing that Congress would turn legislation needed to meet nationwide highway and transit needs into a vehicle for special interest projects such as the Boston Central Artery project."

Later on in the letter, he indicates that:

"Over five years, the bill would exceed my request by $9.1 billion. We simply cannot afford these expenditures at a time when we are struggling so valiantly to reduce the deficit. This excessive spending is further aggravated by provisions in the conference agreement that continue to distribute transit trust funds unfairly to fewer than 20 cities, such as the Los Angeles Metro System. Moreover, these funds are earmarked for "new starts", transit systems that are often not economically viable."

He concludes by indicating:

"If this bill is presented to me in its current form, I will return it to the Congress without my signature."

I would also include in the Record a State-by-State comparison of the conference report versus the Senate-passed bill. And I think there was a lot of interest in the Senate-passed bill, and a lot of support for the Senate-passed bill.

As I understand, we can vote on the conference report in the next 10 or 15 minutes. Then I assume there may be an effort to bring up the resolution with reference to the speed limit. That will be objected to. That will go to committee. I am not certain when that will be reported out, but maybe sometime early next week. Or maybe if something happens in the committee, it would not be reported out.

When that comes up, it will be subject to amendment. I think it is fair to say that there may be some amendment offered at that time to alleviate some of the concerns expressed by the President in the letter threatening a veto.

I think if you look at the 5-year life of the legislation, broken down by States, the losses over 5 years—and I am not the expert because the experts are Senator Moynihan and Senator Stafford—Kansas does not do too badly. We only lose about $10 million. But some States, such as Alabama, North Carolina, Pennsylvania, Wisconsin, Washington State, and others—a lot of States lose a lot of money.

Forty-one States, I am advised, will receive lower apportionments under the conference report than under the Senate-passed bill, S. 387. It translates into a loss to States of $391.7 million annually or $1.96 billion over the 5-year life of the legislation.

In addition to lower apportionment levels, States lose spending authority under the conference agreement. Because of the inclusion of costly demonstration projects, conferees were forced to lower the highway program obligation ceiling to compensate for the large amount of money outside the obligation ceiling. Consequently, States would be allowed to spend only 95 cents of every dollar apportioned to them. Thus, the losses to States in formula funds noted above would be even greater.

That is a matter we will have to take into consideration when we vote on the conference report.

I do not quarrel with the efforts made by the conferees. I know the House position. We would have had a bill last year had it not been for the intransigence on the part of some in the other body. I do not quarrel with them. They have their own views and their right, obviously, to try to make certain their views are heard and, if possible, accepted.

For the reasons stated, the President has indicated he cannot support the conference report.

Mr. President, I ask unanimous consent that the letter from the President and the chart showing a State-by-State comparison and how much each of the 41 States lose be printed in the Record at this point.[1]

There being no objection, the material was ordered to be printed in the Record, as follows:

"THE WHITE HOUSE,
"*Washington, DC., March 19, 1987.*

"Hon. ROBERT DOLE,
"*Republican Leader, U.S. Senate, Washington, DC.*

"DEAR BOB: I am writing to express my grave concerns with the conference agreement on the bill (H.R. 2) which reauthorizes highway and transit programs. While I strongly support the House and Senate efforts to allow States to raise the speed limit to 65 m.p.h. on rural Interstate highways, overall the measure is seriously flawed.

"It is distressing that Congress would turn legislation needed to meet nationwide highway and transit needs into a vehicle for special interest projects such as the Boston Central Artery project. I strongly object to the unprecedented provisions in the bill that would provide extra Federal funds for 152 so-called "highway demonstration" projects. If special interest projects are authorized, they should, at most, be funded from within States' regular allocation of highway funds, as the Senate bill proposed. States, not Congress, should determine their highway needs and priorities.

"I am equally concerned, that despite our mutual interest in controlling Federal spending, the bill provides excessive funding levels for mass transit programs. Over five years, the bill would exceed my request by $9.1 billion. We simply cannot afford these expenditures at a time when we are struggling so valiantly to reduce the deficit. This excessive spending is further aggravated by provisions in the conference agreement that continue to distribute transit trust funds unfairly to fewer than 20 cities, such as the Los Angeles Metro System. Moreover, these funds are earmarked for 'new starts', transit systems that are often not economically viable.

"If this bill is presented to me in its current form, I will return it to the Congress without my signature.

"Sincerely,

RON."

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[1] The chart, "A State-by-State Comparison" was previously entered into the record as Exhibit A and may be found at p. 75.

Mr. MITCHELL. Mr. President, I am pleased that the Senate is finally considering the conference report on the Surface Transportation and Uniform Relocation Assistance Act of 1987.

* * * * * * *

The administration has circulated a packet of information to each Senate office, each State DOT, and each Governor's office citing how much money each State would lose in highway apportionments because of the amount of money provided for demonstration projects. This is simply inaccurate.

As we all know, the highway trust fund is not exempt from the sequester orders under the Gramm-Rudman Act. Last year two events occurred which led to reduced funding for highway programs this year. The first event was the March 1 sequester order which reduced highway programs between 4.3 and 5.8 percent depending on the program and the manner in which its funds were actually released by the Treasury Department. The second event was the budget resolution adopted by the Congress last year. That resolution adopted spending guidelines and limits for the next several fiscal years in conformance with the Gramm-Rudman targets. In order to avoid a procedural point of order, the conferees adopted spending levels in accordance with the fiscal year 1987 budget resolution. All apportioned funds are in line with the targets set in the budget resolution.

The small amount of additional funds provided for demonstration projects, do not affect apportioned funds. They are from the Secretary's discretionary account which is not apportioned to the States and from the surplus in the highway trust fund. To say that these funds reduce the level of apportionments made to the States is simply wrong.

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Mr. HELMS. Mr. President, a great many people who have followed the process leading to this conference report contend that the Senate was snookered out of its shoes. They say—and they are largely correct—that this conference report is, in fact, scarcely more than the original House version of the highway bill, H.R. 2, which stands for House Resolution 2.

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If you compare the conference report before us with the bill passed by this Senate earlier in the session, you will find that 40 States receive less money under the conference proposal. Let me repeat: The pending conference report cuts the funding for 40 States. Only 10 States are better off under the conference bill. All the rest of us are losers.

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Mr. ROTH. Mr. President, I rise in strong opposition to the conference report that we will be voting on today. The legislation that we are considering is a 5-year $86 billion highway and mass transit bill for fiscal years 1987 through 1992.

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Forty-seven of the fifty States will lose money under the formula allocation of this bill as compared to their fiscal year 1986 apportionments. There is no reason to fill this bill with frivolous and unnecessary and long-lasting pork barrel projects that may cost us over $8 billion. The decrease is due in part to Congress inability to deal with the budget deficit. As the Wilmington News Journal stated: "Uncle Sam Simply Must Stop Being Uncle Sugar."

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[From the Congressional Record, March 20, 1987]

Mr. SYMMS. * * *

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The Department of Transportation proposed and circulated to Members yesterday, a highly misleading chart that indicated most States will lose highway dollars under the conference report and that suggested the loss of funds is due to the inclusion of demonstration projects.

The chart reads, in part, "This difference in apportionments translates into a loss to States of $391.7 million annually, or $1.96 billion over the 5-year life of the legislation."

Lower apportionments in relation to the apportionments that would have been made under the Senate-passed bill have absolutely nothing to do with the inclusion of the demonstration projects in the conference report. The conference report authorizes funding for most highway categories at a level equal to or greater than the funding included in the Senate bill; and the new funding money for demonstration projects, $178 million per year, was added on top of the Senate-passed authorization levels.

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Mr. CONRAD. Mr. President, will the Senator yield for a question?

Mr. SYMMS. I am happy to yield.

Mr. CONRAD. Obviously, the question is important to those of us who have seen the chart passed out that suggested that we are getting less money.

As I understand the presentation that the Senator from Idaho is making, the discretionary accounts more than make up for, is that correct, the shortfall that was indicated by the charts that were handed out yesterday?

Mr SYMMS. That accounts for a lot of it. The point is the numbers game that is being played here. If we want to look at it in the conference report, with the apportionments under the bill passed earlier this year, we can look at the State-by-State apportionments which would have been, had we accepted the House bill. Rather than working out the conference agreement, compare the House apportionments with the apportionments in the conference report. There are 36 States which would have lost a total of $2.8 billion over 5 years. This compared with the 5-year loss of $1.96 billion noted on the DOT chart comparing the Senate-passed bill with the conference report.

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Mr. CONRAD. Will the Senator yield for one quick question?

Mr. SYMMS. Certainly.

Mr. CONRAD. I was called last night by someone from my State who is acutely interested in this and asked how can you be voting for a bill that reduces the money to North Dakota by $16 million, because already the chart which was handed out here yesterday had found its way into the popular press and was being reported and I was asked a question how could you have voted for that bill? And I think we have just heard the answer.

Mr. SYMMS. The Senator was voting against a bill that would have reduced it by $125 million. If you had the House bill then they would have had a good question to ask you.

So, by and large, I think that our bill is a responsible answer.

For example, look at my own State, Idaho. The DOT chart says Idaho would lose $34.5 million over the 5-year period if the House bill had passed, we would have lost $56 million.

Mr. MOYNIHAN. May I thank my friend, and just say to him that I have been involved with these matters for a long while and from the executive side as well, and I have been disturbed by the behavior of the Federal Highway Administration.

These matters that made their way into the press were mailed anonymously, or as near as it makes no matter, a piece of paper with no letterhead, sort of an anonymous denunciation.

It raises questions of character. I have to say that to you. I would not ordinarily say that on the Senate floor, but the character of the Federal Highway Administrator is a matter that has been brought into question by this behavior.

I thank the Senator for inquiring and I thank my friend for going through the explanation.

Mr. SYMMS. Let me just speak on behalf of a person whom I think has done an excellent job as chairman of the Federal Highway Administration, Mr. Ray Barnhart. This piece of paper did not come from Barnhart's office.

Mr. MOYNIHAN. Where did it come from?

Mr. SYMMS. I do not know where it came from. It did not come from his office.

Mr. MOYNIHAN. That is the problem, then; in which event, I withdraw my statement.

Mr. SYMMS. I know the administrator of the Highway Administration has told us of his objections to the bill, but is not enthusiastic about slowing down the process by getting embroiled in a veto override.

Mr. MOYNIHAN. My friend will agree the question is where did these anonymous pieces of paper arise and how did they get to our State capital like that, bang.

There are people in the Federal Government who are not being open with this Conference Committee.

Mr. SYMMS. I think Mr. Barnhart is a good administrator, and is loyal to the President. He also has a record of being a solid highway person from Texas before he came to this job and has a complete understanding of the difficulties we are up against.

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Mr. STAFFORD. * * *

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A chart was distributed yesterday which indicated that 41 States lost funds in the compromise bill compared to the Senate bill. I should point out, as others have, that if we would have accepted the House bill instead of the compromise, 33 States would have gotten less appropriated funds. Indeed, to be slightly parochial, my own State of Vermont would have received $32 million per year in apportionments under the House bill, $53.9 million under the Senate bill, and $51.9 million under the compromise, almost $20 million more than would be the case had we accepted the House bill. Over half of the States would have experienced these kinds of reductions because the House bill eliminated the one-half percent minimum for interstate construction and changed the interstate 4R apportionment formula to reflect only population rather than a combination of lane miles and area.

States receive funds from the highway program in two ways. They receive apportioned funds from the major categories which are distributed by formula. They also receive allocated funds from discretionary categories including the interstate discretionary, interstate 4R discretionary, bridge discretionary and interstates transfer discretionary funds, emergency relief, and the Federal Lands Program. All States who are eligible for these funds can compete for them.

The chart distributed yesterday does not show in the conference agreement column approximately $900 million per years in additional allocations that the States will receive under these discretionary categories. Because of their discretionary nature, it is impossible to indicate with absolute certainty which States will receive these funds.

And because the 85-percent minimum allocation funds are based on a calculation of apportioned funds for one year and allocated funds for the previous year, there is no way to accurately determine the amount of funds the 85 percent States will receive in future years.

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Mr. BURDICK. Mr. President, in an effort to clear up some confusion that may have been created yesterday by the administration, I ask unanimous consent to have inserted in the Record a table run by the U.S. Department of Transportation which makes a comparison of the apportionments contained in the House-passed bill, the Senate-passed bill, and the conference report on H.R. 2. I think that of most States you will see a sensible compromise between the two bills.

There being no objection, the table was ordered to be printed in the Record, as follows:

U.S. DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY ADMINISTRATION, ESTIMATED FISCAL YEAR 1987 APPORTIONMENTS PER HOUSE PASSED BILL, CONFERENCE BILL, AND SENATE PASSED BILL

State	House passed bill	Conference report	Senate passed bill
Alabama	$222,183,552	$255,584,000	$280,722,246
Alaska	124,855,588	152,255,000	154,917,504
Arizona	147,645,087	146,682,000	146,846,306

U.S. DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY ADMINISTRATION, ESTIMATED FISCAL YEAR 1987 APPORTIONMENTS PER HOUSE PASSED BILL, CONFERENCE BILL, AND SENATE PASSED BILL—Continued

State	House passed bill	Conference report	Senate passed bill
Arkansas	123,590,732	123,616,000	137,742,279
California	964,511,801	958,967,000	975,055,338
Colorado	173,232,017	185,400,000	198,869,700
Connecticut	267,199,639	271,831,000	274,235,105
Delaware	29,768,175	48,764,000	50,965,300
Florida	487,791,557	424,706,000	426,394,787
Georgia	336,394,616	320,099,000	341,610,493
Hawaii	146,562,655	133,591,000	154,920,303
Idaho	72,664,918	83,638,000	90,194,036
Illinois	371,201,489	369,030,000	367,107,405
Indiana	258,256,825	250,984,000	280,797,271
Iowa	150,215,434	164,238,000	163,550,719
Kansas	123,242,410	142,282,000	144,391,758
Kentucky	213,889,226	163,288,000	179,551,119
Louisiana	313,232,729	257,994,000	282,637,232
Maine	54,940,641	56,429,000	61,748,867
Maryland	284,624,075	273,849,000	287,868,984
Massachusetts	657,664,699	529,873,000	375,754,672
Michigan	306,641,501	314,347,000	303,308,942
Minnesota	204,808,944	205,313,000	219,152,031
Mississippi	124,814,331	126,996,000	140,745,445
Missouri	243,405,373	250,535,000	264,423,058
Montana	70,535,965	107,085,000	110,966,674
Nebraska	87,624,326	102,100,000	103,488,898
Nevada	50,632,755	70,610,000	73,490,028
New Hampshire	37,681,067	53,592,000	55,460,336
New Jersey	359,448,534	314,650,000	328,953,278
New Mexico	78,088,343	103,019,000	107,238,797
New York	658,832,484	631,790,000	609,904,567
North Carolina	279,067,354	289,204,000	321,541,137
North Dakota	48,066,645	73,029,000	75,726,529
Ohio	418,491,572	417,445,000	465,701,523
Oklahoma	183,107,532	189,869,000	177,476,948
Oregon	131,662,942	126,621,000	130,976,350
Pennsylvania	485,752,508	501,273,000	529,792,268
Rhode Island	88,160,071	101,115,000	96,708,755
South Carolina	154,743,716	148,174,000	127,552,856
South Dakota	53,511,353	80,998,000	83,755,054
Tennessee	234,479,869	242,063,000	268,910,539
Texas	825,550,927	850,041,000	947,838,294
Utah	112,041,056	112,591,000	124,753,855
Vermont	32,369,067	51,961,000	53,968,726
Virginia	272,772,794	239,027,000	265,192,623
Washington	249,771,558	258,990,000	283,972,814
West Virginia	94,298,159	105,894,000	106,224,890
Wisconsin	187,540,026	194,271,000	215,966,921
Wyoming	45,427,267	80,046,000	83,742,248
District of Columbia	64,887,248	82,474,000	80,126,037
Puerto Rico	62,679,618	61,923,000	62,554,346
American Samoa	416,519	416,250	428,769
Guam	416,519	416,250	428,769
Northern Marianas	416,519	416,250	428,769
Virgin Islands	416,519	416,250	428,769
Territories	11,201,961	11,336,000	
Total	11,783,430,807	11,813,147,000	12,197,210,267

Mr. DOLE. * * *

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Under the highway title of the conference report, the Department of Transportation estimates that 41 States will receive lower—will lose—formula apportionments than they would have under the Senate-passed bill. This translates into a loss of formula funds to the States nearly $2 billion over the 5 year life of the bill. A large portion of this loss is because the conference report distributes funds to costly demonstration projects. To live within the budget levels, funds for these projects were diverted from the bread-and-butter highway formula programs that fund farm-to-market roads, roads to cities, major State highways, as well as our Interstate Highway System. This diversion hurts many to benefit only a few.

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Mr. MOYNIHAN. * * *

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Second, Mr. President, I point out as to the table showing 41 States will lose funds so-called under this measure, Mr. Ray Barnhart, the Administrator of the Federal Highway Administration, was with us just an hour ago off the floor. I showed him this piece of paper. I said, "Mr. Barnhart, where did this piece of paper come from? It has no identity." He said, "I do not know. I first saw it this morning." This paper that was spread around the Chamber yesterday was seen by the Federal Highway Administrator just this morning. He said, "It is inaccurate." I said to him, "It raises the question, sir, whether someone within the administration has deliberately misled the Senate and led Senators to vote in ways they might not otherwise have voted because of inaccurate information passed out without the authority of the Federal Administrator." I said to Mr. Barnhart, "I regard that as a grave matter. I would wish you to inquire into it with the utmost urgency, and it is not at an end." However, Mr. President, the time to vote is at hand. I yield the floor.

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HIGHWAY ALLOCATION AND APPROTIONMENT

Mr. MITCHELL. Mr. President, yesterday the administration circulated a package of material regarding highway funding to each Senate office, each State Department of Transportation, and each Governor's office. That material was highly misleading and, in many respects, inaccurate.

During the debate on the bill, in obvious reliance on the misleading information supplied by the administration, some Senators made inaccurate statements and even may have been induced to vote against the bill. The Senate has been misled. The RECORD must be set straight.

The first chart circulated by the administration, entitled "State-by-State Comparison," says that the States would lose $391 million in apportionments from the Senate bill in fiscal year 1987. That is a highly misleading half truth.

There are two ways in which highway funds are dispersed to the States. The first method is by apportionment—that is by formula. The second method is by allocation—that is, by application which must meet certain standards. While it is true that the States would receive somewhat less in apportionments, they would receive much more in allocations. In fact, the conference report provides $752.2 million more in allocations than does the Senate bill.

Overall, there is some $337.1 million more in budget authority in the conference report compared to the Senate bill. So while apportionments may be a slight percentage less, allocations are a much larger percentage higher. And the net efffect is the exact opposite of the document that was circulated by the administration yesterday. There are good policy reasons why the conference committee redistributed some of the funds between apportionments and allocations. One difference is that the conference committee made a policy decision to spend more money in interstate 4R allocations rather than interstate 4R apportionments, because the consensus was that this would be more practical. For those not on the committee, and not familiar with the details of highway programs, interstate 4R provides funds for resurfacing, restoring, rehabilitating, and reconstructing the Interstate System. Because a number of States have completed their Interstate Systems and because other States have expensive interstate sections yet to complete, a policy decision was made that a top priority of the conference report should be to complete the interstate; by formula alone, an adequate amount of money per State is not always available for that

purpose. Therefore, the conference committee took $185 million from apportionments which are dispersed by formula, and increased that amount by $15 million so that in total $200 million would be available in interstate 4R allocations, which States would apply for based on need. So, to say States are losing funds in that program simply is inaccurate.

That same chart says that over 5 years the States would lose $1.96 billion in apportionments. The Federal Highway Administration itself has refuted this statement. It is simply not possible to accurately determine the amount of funds the States will receive in apportionments over a 5-year period, into the future. This is true because apportionments are formulas and while a formula may remain the same, the manner in which it is distributed will not. For instance, in the Interstate Construction Program, funds are apportioned to States to finish their interstate. Nearly 25 States have finished and those States receive the minimum assurance of one-half of 1 percent of the interstate funds. It is accurate to say that those States will receive a constant amount over the next 5 years. However, as each State works to complete its Interstate System, it is impossible to predict the amount of money they will need or receive from 1 year to the next. The formula is based on what a particular State needs, what other States completing the interstate need, and how much money is available for all States. These factors are constantly changing. I repeat, the Federal Highway Administration itself has said that calculating what a State would either gain or lose over the next 5 years, as this chart circulated by the administration purports to do, is not possible.

I ask unanimous consent that both the administration's table entitled "State-by-State" losses and the Federal Highway Administration table entitled, "Increases and Decreases in Fiscal Year 1987 Apportionments and Allocations" be printed in the Record.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. MITCHELL. Yes.

Mr. MOYNIHAN. Did he not mean the table "State-by-State Comparison"?

Mr. MITCHELL. Yes, that is correct, the State-by-State comparison. I thank the Senator.[1]

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Department of Transportation, Federal Highway Administration, comparison of increases and decreases in fiscal year 1987 apportionments and allocations in conference bill over Senate passed bill

A. Decreases in apportioned funds:	
Interstate construction	$300,000,000
Interstate 4R	185,000,000
Hazard elimination	5,000,000
Rail-highway	15,000,000
Minimum allocation	70,589,342
Subtotal	575,589,342
B. Increases in apportioned funds:	
Bridge replacement and rehabilitation	105,000,000
Interstate substitution	67,500,000
Primary	25,000,000
Subtotal	197,500,000
C. Increases in allocated funds:	
Interstate discretionary	100,000,000
Interstate 4R	200,000,000
Interstate substitution	22,500,000
Forest highways	5,000,000
Indian reservation roads	5,000,000
Demonstration projects	178,000,000
Railroad relocation demo	15,000,000
Studies	1,720,000
Bridge discretionary	25,000,000
Subtotal	752,220,000
D. Decreases in allocated funds:	
Public lands	10,000,000
Parkways and park roads	15,000,000

[1] The chart entitled "State-by-State Comparison" was previously entered into the record as Exhibit A and may be found at p. 73.

Territorial program	12,000,000
Subtotal	37,000,000
Net increase in conference bill	337,180,658

Mr. MITCHELL. Mr. President, in addition, I ask unanimous consent to have printed in the Record another table which I received this morning from the Federal Highway Administration which shows that there is actually $337.1 million more in budget authority to be disbursed to the States in the conference bill compared to the Senate bill.

There being no objection, the table was ordered to be printed in the Record, as follows:

U.S. DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY ADMINISTRATION

(Comparison of fiscal year 1987 authorizations in Senate-passed bill and conference bill)

Fund	Senate-passed bill	Conference bill	Conference bill provides more or less (-)
Interstate/primary			
Interstate construction	$3,000,000,000	$3,000,000,000	0
Interstate 4R	2,800,000,000	2,815,000,000	$15,000,000
Primary	2,350,000,000	[1] 2,375,000,000	25,000,000
Urban system	750,000,000	750,000,000	
Secondary	600,000,000	600,000,000	
Bridge replacement/rehabilitation	1,500,000,000	1,630,000,000	130,000,000
Rail-highway	175,000,000	160,000,000	(15,000,000)
Hazard elimination	175,000,000	170,000,000	(5,000,000)
Minimum apportionment	795,815,342	725,276,000	(70,539,342)
Interstate substitution	487,500,000	555,000,000	67,500,000
Interstate substitution—discussion	162,500,000	185,000,000	22,500,000
Section 402 safety—FHWA	10,000,000	10,000,000	
Emergency relief	100,000,000	100,000,000	
Federal lands			
Forest highways	50,000,000	55,000,000	5,000,000
Public highways	50,000,000	40,000,000	(10,000,000)
Indian reservation roads	75,000,000	80,000,000	5,000,000
Park roads and parkways	75,000,000	60,000,000	(15,000,000)
Territorial highway program			
American Samoa	1,000,000		(1,000,000)
Guam	5,000,000		(5,000,000)
Nothern Mariana Islands	1,000,000		(1,000,000)
Virgin Islands	5,000,000		(5,000,000)
Research and development (Section 403/307)	10,000,000	10,000,000	
Subtotal	13,177,815,342	13,220,276,000	142,460,558
Allocations			
Motor vehicle study	500,000	500,000	
Rail-highway crossings study	600,000	600,000	
Demonstration projects		178,000,000	178,000,000
Highway electric system—CA		970,000	970,000
Highway upgrade cost study		650,000	650,000
Feasibility study—CA		100,000	100,000
Waste transportation—NM (GF)	58,000,000	58,000,000	
Railroad relocation demonstration		15,000,000	15,000,000
Subtotal	59,100,000	253,820,000	194,720,000
Grand total	13,236,915,342	13,574,096,000	337,180,658

[1] Includes primary minimum

Mr. MITCHELL. Mr. President, this chart shows that the conference report actually provides $15 million more in funds for interstate 4R for a total of $2.815 billion. The conference report maintains the Senate-approved level of $3 billion for interstate construction. The conference report includes $25 million more for primary funds for a total of $2.375 billion. Urban and secondary funds remain the same at $750 million and $600 million respectively. There is an additional $130 million in funds in

the conference report for bridge replacement and rehabilitation for a total of $1.63 billion. Sixty-seven million dollars more is in the conference report for interstate substitution programs, which is very important to the States because the program provides funds for substitute highway projects which result from decisions to withdraw interstate routes and replace them with other types of Federal aid projects. Forest highways and Indian reservation roads also gain under the conference report each by $5 million so that $55 million will be allocated to forest highways and $80 million will be allocated to Indian reservation roads. These programs too, are very important to the States. There are many more differences, but the bottom line is that the conference report provides $337.1 million more in budget authority.

Time and time again, the administration has threatened to veto this highway bill because of the amount allocated to demonstration projects. It should be noted that this amount is $178 million a year, or less than 1 percent of the funding in the bill. Now, the administration is trying to make the argument that the apportionments to the States are reduced because of the funds provided for the demonstration projects. And, based on the administration's statement, several Senators made that same statement here on the Senate floor. It is an untrue and inaccurate statement.

The money for the demonstration projects does not affect apportionments. I repeat: The money for demonstration projects does not affect apportionments. The demonstration projects are funded in part with $178 million in new budget authority. This is money that would not be apportioned. Another 30 percent comes from the Secretary's discretionary fund. This also is money that would not be apportioned. This money is allocated based on application and by criteria. So in this instance, the Congress has earmarked a portion of those discretionary funds for allocation to the States. This is money on top of what they would ordinarily get by way of apportionment. So to say that the demonstration money reduces the amount of apportioned money is simply wrong. The discretionary money is in addition to the apportionments, it does not reduce them.

I hope that we have clarified here today some of the inaccuracies circulating from the administration. I continue to believe that the conference agreement is a sound compromise and I urge all my colleagues to defeat any proposed amendments to the concurrent resolution which could jeopardize the work achieved in the conference report approved yesterday.

Mr. President, I conclude by saying that there is legitimate reason for a difference of opinion on this bill. Senators, in good faith and for good reasons, can disagree with it. It is not necessary for the administration to present inaccurate and misleading information. The Senate is entitled to accuracy in the information it receives from the executive branch so that the judgments in the Senate can be based on facts, not on inaccuracies.

Mr. President, I yield the floor.

Mr. MOYNIHAN. Mr. President, I rise to agree most emphatically with the statements of Senator Mitchell, former U.S. district judge, a man of unquestioned integrity and a meticulous concern for process.

As I said earlier today, the arrival of this anonymous, unsigned, undated document was presented to us yesterday by the minority leader, who was given it and accepted it in good faith, I am sure. I do not question his faith in any way. However, he was given misleading information. I had great difficulty believing that the administrator of the Federal Highway Administration, Mr. Ray Barnhart from Texas, would deliberately mislead the Senate. So I asked him to come. I think perhaps he was already here. But I asked to see him. I was told he was here. We met in the Vice President's office.

I said, "Sir, where did this piece of paper come from?" I met in the presence of some of our senior staff officers, so that they would understand what happened. He said to me, "The first time I saw this piece of paper was this morning." I remind the distinguished presiding officer that this was information that was passed about this Chamber yesterday afternoon. I said, "Is it so?" He said, "It is not accurate." He said, "This is an inaccurate statement of the facts." I said, "In other words, someone has deliberately set about or if not deliberately, has in any event caused the U.S. Senate to be given misleading information? And that may have led U.S. Senators to vote other than they would have done."

Mr. President, that is an unacceptable act by this administration. Do they not understand the integrity of this body depends on a relationship of trust with respect to elemental things such as apportionment of the Federal programs?

I told Mr. Barnhart that I must have the name of the person responsible within 48 hours or I would find it not possible to do other than hold him responsible. Given the fact I hope to be able to withdraw this statement, I have been given to understand the present indications are that this arose from the Congressional Liaison

Office of the Department of Transportation. That may be quite wrong. I am just told that is presently the case. If it is true, then the persons responsible must be discharged, not simply from their present duties but from the Federal service.

You may not lie to the U.S. Senate. How many administrations will we have to see disabled in succession before this fact is clear? I do not propose to see immunity granted to this person. I propose to see this person disappear.

There is a Constitution in this country and there are jails in this country, and there is such a thing as honor and dishonor in this country. Anyone, who for the purpose of picking up a few votes on a bill of serious, plain demeanor, would mislead the Senate—cause the minority leader to come on to the floor with the information that the Federal Highway Administrator said today he has never seen and which is not accurate—should be censured and is worthy of contempt.

I ask you, Mr. President, what do they have to learn in order to be persuaded to tell the truth? Is this an administration beyond recall? Do they come here and mislead us on matters of such plain import and open purpose? Is there anything left?

I wish I were not speaking so strongly, but I feel yet more intensely.

I thank the Senator from Maine for bringing the matter to us in his judicious and careful presentation. It is not over. I shall return to the matter early next week and we will lead to the bottom of it. The Senate will know that the honor of the Senate is at issue here, and the integrity of our proceedings is at issue.

I would like here and now to express my deep regret to any Member of this body who was mislead and who may have voted other than he or she would have done in consequence of misleading information.

It may be that it was our responsibility to leap to that data and ask, "Where did it come from?" If that was my responsibility and I did not carry it out, I offer the Senate my apology.

But that is not the end of it. The question is who did it, under whose instructions, and what will be the consequence?

Mr. President, I thank you for your careful attention and I yield the floor.

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